TIME CLASSIC WORDS

HUMANITIES

>>>01 When Artists Distort History By LANCE MORROW Monday, Dec. 23, 1991

King Richard III was a monster. He poisoned his wife, stole the throne from his two young nephews and ordered them to be smothered in the Tower of London. Richard was a sort of Antichrist the King -- "that bottled spider, that pois'nous bunch-back'd toad."

Anyway, that was Shakespeare's version. Shakespeare did what the playwright does: he turned history into a vivid, articulate, organized dream -- repeatable nightly. He put the crouchback onstage, and sold tickets.

And who would say that the real Richard known to family and friends was not identical to Shakespeare's memorably loathsome creation? The actual Richard went dimming into the past and vanished. When all the eyewitnesses are gone, the artist's imagination begins to conjure.

Variations on the King Richard Effect are at work in Oliver Stone's JFK. Richard III was art, but it was propaganda too. Shakespeare took the details of his plot from Tudor historians who wanted to blacken Richard's name. Several centuries passed before other historians began to write about Richard's virtues and suggest that he may have been a victim of Tudor malice and what is the cleverest conspiracy of all: art.

JFK is a long and powerful harangue about the death of the man Stone keeps calling "the slain young king." What are the rules of Stone's game? Is Stone functioning as commercial entertainer? Propagandist? Documentary filmmaker? Historian? Journalist? Fantasist? Sensationalist? Paranoid conspiracy-monger? Lone hero crusading for the truth against a venal Establishment? Answer: some of the above.

The first superficial effect of JFK is to raise angry little scruples like welts in the conscience. Wouldn't it be absurd if a generation of younger Americans, with no memory of 1963, were to form their ideas about John Kennedy's assassination from Oliver Stone's report of it? But worse things have happened -- including, perhaps, the Warren Commission report.

Stone's movie and the Warren report are interestingly symmetrical: the Warren Commission was stolidly, one might say pathologically, unsuspicious, while in every scene of the Stone film conspiracy theories writhe underfoot like snakes. In a strange way, the two reports balance one another out. It may be ridiculous to accord Stone's movie a status coequal with the Warren report. On the other hand, the Warren report has endured through the years as a monolith of obscure

suppression, a smooth tomb of denial. Stone's movie, for all its wild gesticulations, at least refreshes the memory and gets a long- cold curiosity and contempt glowing again.

The fecklessness of the Warren report somehow makes one less indignant about Stone's methods and the 500 kitchen sinks that he has heaved into his story. His technique is admirable as storytelling and now and then preposterous as historical inquiry. But why should the American people expect a moviemaker to assume responsibility for producing the last word on the Kennedy assassination when the government, historians and news media have all pursued the subject so imperfectly?

Stone uses a suspect, mongrel art form, and JFK raises the familiar ethical and historical problems of docudrama. But so what? Artists have always used public events as raw material, have taken history into their imaginations and transformed it. The fall of Troy vanished into the Iliad. The Battle of Borodino found its most memorable permanence in Tolstoy's imagining of it in War and Peace.

Especially in a world of insatiable electronic storytelling, real history procreates, endlessly conjuring new versions of itself. Public life has become a metaphysical breeder of fictions. Watergate became an almost continuous television miniseries -- although it is interesting that the movie of Woodward and Bernstein's All The President's Men stayed close to the known facts and, unlike JFK, did not validate dark conjecture.

Some public figures have a story magic, and some do not. Richard Nixon possesses an indefinable, discomfited dark gleam that somehow fascinates. And John Kennedy, despite everything, still has the bright glamour that works best of all. Works, that is, except when the subject is his assassination. That may be a matter still too sacred, too raw and unassimilated. The long American passivity about the death in Dallas may be a sort of hypnosis -- or a grief that hardened into a will not to know. Do not let daylight in upon magic.

Why is Stone's movie different from any other imaginative treatment of history? Is it because the assassination of John Kennedy was so traumatic, the baby boomers' End of Childhood? Or that Americans have enshrined it as official tragedy, a title that confers immunity from profane revisionists who would reopen the grave? Are artists and moviemakers by such logic enjoined from stories about the Holocaust? The Holocaust, of course, is known from the outset to be a satanic plot. For some reason -- a native individualism, maybe -- many Americans resist dark theories about J.F.K.'s death, and think those retailing them are peddling foreign, anarchist goods. Real Americans hate conspiracies as something unclean.

Perhaps the memory of the assassination is simply too fresh. An outraged movie like Stone's intrudes upon a semipermanent mourning. Maybe the subject should be embargoed for some period of time, withheld from artists and entertainers, in

the same way the Catholic Church once declined to consider sainthood until the person in question had been dead for 50 years.

No: better to opt for information and conjecture and the exhumation of all theories. Let a hundred flowers bloom, even if some of them are poisonous and paranoid. A culture is what it remembers, and what it knows.

>>>02 A Dictionary For These Times By Pico Iyer Monday, Jun. 14, 1993

Dear Mr. Martian,
I understand you may be somewhat confused by the topsy-turvy, science- fictive ways you encounter here on our alien planet. I'm hoping this may help you find your way around them.

Affirmation means denial. (Thus, for example, Magic Johnson approaches his life-threatening disease with optimism and good nature. This means he is "in denial." An optimist is only a pessimist who hasn't yet come out. Yes, in short, means no. This is different, however, from the fact that no means yes. That is what men say when women don't say yes to them.)

Challenge means loss. (A "physically challenged" person is one who used to be called "disabled" or "handicapped" -- to wit, one who has been dealt a bad blow by circumstance. To give him this more friendly sounding title is an attempt to affirm possibility on his behalf -- in other words, to be in denial.)

Cool means hot. (This, of course, you've known for a while. Almost anything that people say is "cool" is sure to be "hot." If something's "bad," that means it's "good." If it's "in," though, that means it's on the way out. After all, "give in" and "give out" mean the same thing.)

Diversity means uniformity. (If someone wants a "diverse" student body, say, that means he wants one in which everyone is more or less like him. This is only logical, because "minorities" tend to be in the majority now. Thus "equal opportunity" usually means "unequal," since some are more equal -- or is it unequal? -- than others.)

East means west. (The "Far East" is -- naturally -- to the west of the "Far West," and the East Coast is one of the westernmost parts of the Western world. Don't worry, though: according to a U.S. President, yes means no in the East anyway, while in the more logical West, "a fat chance" means a very thin one.)

Father means son. (Thus, for example, Bill Wyman's son is marrying the mother of Bill Wyman's wife. Bill Wyman will soon be his son's son-in-law, as well as father of his father-in-law. It's easy to tell a girl from a boy, however. Boys are the ones with earrings and long hair; girls are the ones with trousers and short hair. "Mother," of course, is the worst name you can call someone. That is because mothers are, in

many contexts, objects of worship.)

Friends means enemies. (If someone says, "Can't we just be friends?," that usually means you've got a potential enemy for life. But don't lose hope: in many parts of the world, your enemy's enemy is your friend. That is a result of the law whereby two rights make a wrong.)

Inner city means outer space. (The people who live in the "inner city" are nearly always outsiders, and "insiders" live as far as possible from the heart of things. Likewise, the "inner child," for most adults, is even more far out.)

Interests mean boredom. (As in the "interests" people list in "personal ads" -- "Schoenberg, late Heidegger and Hustler" -- or in the bodies known as "interest groups." Of course, you will already have found that "personal" in any case means "impersonal"; thus a "personal ad" is, in fact, a highly impersonal solicitation for companionship.)

Left means right. (In places like the former Soviet Union, the "rightists" are the conservatives, who are most attached to communism -- in other words, the people furthest on the left. This is not to be confused with the situation in China, where the Communists are the most ardent capitalists around.)

New means old. (Thus a "new idea" -- in Hollywood, for example -- means an old idea that is not under copyright. Something that happened yesterday, though, is "old news.")

Pleasure means business. (The giving of pleasure is one of the most lucrative businesses around, and not only in the red-light district. Thus people who "play games" for a living sign contracts for $43 million -- much more than people who merely work. Those who can sing may get up to $100 million.)

Ruler means subject. (Anyone who is a member of a royal family is, by law, subject to the nation. Thus the princesses of Britain, say, are employees of the people, used as tourist attractions and given free board and lodging in return for affording the rest of us some entertainment. You may remember how the old kings -- like Henry V -- used to spy on their subjects; now it's the subjects who spy on their rulers. Dieu et mon droit.)

Small means mid-size. (If you are renting a car, you need to remember that "small" is several sizes larger than the smallest size. And in + McDonald's, a "small" order of fries is now a regular-size order, which is different from the situation in most places, where the "regular" size is very small.)

War means peace. (Thus the "cold war" was a way of maintaining a tenuous peace between two belligerent superpowers. The "war against drugs" means saying "Just say no" several times and hoping that people under the influence won't take a no

for a yes.)

Oh, and one more thing. Alien means resident. (As in "I live here because I'm a 'resident alien.' " You'll see lots of "aliens" in the U.S. -- they are the people who come from other countries, as opposed to "real Americans," who are people who came from other countries a little while ago.)

I hope that all makes sense. I'm sure you will find our world as clear as anything on your planet.
An Earthman

>>>03 TV Could Nourish Minds and Hearts By Ellwood Kieser Monday, Sep. 14, 1992

Despite questions of the motivation behind them, the attacks by the President and the Vice President on the moral content of television entertainment have found an echo in the chambers of the American soul. Many who reject the messengers still accept the message. They do not like the moral tone of American TV. In our society only the human family surpasses television in its capacity to communicate values, provide role models, form consciences and motivate human behavior. Few educators, church leaders or politicians possess the moral influence of those who create the nation's entertainment.

Every good story will not only captivate its viewers but also give them some insight into what it means to be a human being. By so doing, it can help them grow into the deeply centered, sovereignly free, joyously loving human beings God made them to be. Meaning, freedom and love -- the supreme human values. And this is the kind of human enrichment the American viewing public has a right to expect from those who make its entertainment.

It is not a question of entertainment or enrichment. These are complementary concerns and presuppose each other. The story that entertains without enriching is superficial and escapist. The story that enriches without entertaining is simply dull. The story that does both is a delight.

Is that what the American viewing public is getting? Perhaps 10% of prime- time network programming is a happy combination of entertainment and enrichment. I think immediately of dramas like I'll Fly Away and Life Goes On or comedies like Brooklyn Bridge and The Wonder Years. There used to be television movies rich in human values, but they have now become an endangered species. Sleaze and mayhem. Murder off the front page. The woman in jeopardy. Is there too much sex on American TV? Not necessarily. Sex is a beautiful, even holy, part of human life, a unique way for husband and wife to express their love. No doubt there is too much dishonest sex on TV. How often do we see the aching emptiness, the joyless despair that so often follows sex without commitment? And certainly there is too much violence. It desensitizes its viewers to the horrors of actual violence and

implies that it is an effective way to resolve conflict. I seldom see the dehumanization that violence produces, not only in its victims, but also in its perpetrators. And I never see the nonviolent alternative -- the way of dialogue and love -- explored. Jesus has much to teach us here. So do Gandhi and Martin Luther King. Ninety-four percent of the American people believe in God; 41% go to church on any given Sunday. But you'd never know it by watching American TV. We seldom see TV characters reach for God or fight with Him, despite the theatricality latent in their doing so. Why is that? I find television too much concerned with what people have and too little concerned with who they are, very concerned with taking care of No. 1 and not at all concerned with sharing themselves with other people. All too often it tells us the half truth we want to hear rather than the whole truth we need to hear.

Why is television not more fully realizing its humanizing potential? Is the creative community at fault? Partially. But not primarily. I have lived and worked in that community for 32 years, as both priest and producer. As a group, these people are not the sex-crazed egomaniacs of popular legend. Most of them love their spouses, dote on their children and hunger after God. They have values. In fact, in Hollywood in recent months, audience enrichment has become the in thing. ABC, CBS and NBC have all held workshops on it for their programming executives. A coalition of media companies has endowed the Humanitas Prize so that it can recognize and celebrate those who accomplish it. And during the school year, an average of 50 writers spend a Saturday a month in a church basement discussing the best way to accomplish it. All before the Vice President's misguided lambasting of Murphy Brown.

The problem with American TV is not the lack of storytellers of conscience but the commercial system within which they have to operate. Television in the U.S. is a business. In the past, the business side has been balanced by a commitment to public service. But in recent years the fragmentation of the mass audience, huge interest payments and skyrocketing production costs have combined with the FCC's abdication of its responsibility to protect the common good to produce an almost total preoccupation with the bottom line. The networks are struggling to survive. And like most businesses in that situation, they make only what they feel the public will buy. And that, the statistics seem to indicate, is mindless, heartless, escapist fare. If we are dissatisfied with the moral content of what we are invited to watch, I think we should begin by examining our own consciences. When we tune in, are we ready to plunge into reality, so as to extract its meaning, or are we hoping to escape into a sedated world of illusion? And if church leaders want to elevate the quality of the country's entertainment, they should forget about boycotts, production codes and censorship. They should work at educating their people in media literacy and at mobilizing them to support quality shows in huge numbers.

That is the only sure way to improve the moral content of America's entertainment.

>>>04 Ice T: Is the Issue Social Responsibility . . . By Michael Kinsley Monday,

Jul. 20, 1992

How did the company that publishes this magazine come to produce a record glorifying the murder of police?

I got my 12-gauge sawed off
I got my headlights turned off
I'm 'bout to bust some shots off
I'm 'bout to dust some cops off . . .
Die, Die, Die Pig, Die!

So go the lyrics to Cop Killer by the rapper Ice-T on the album Body Count. The album is released by Warner Bros. Records, part of the Time Warner media and entertainment conglomerate.

In a Wall Street Journal op-ed piece laying out the company's position, Time Warner co-CEO Gerald Levin makes two defenses. First, Ice-T's Cop Killer is misunderstood. "It doesn't incite or glorify violence . . . It's his fictionalized attempt to get inside a character's head . . . Cop Killer is no more a call for gunning down the police than Frankie and Johnny is a summons for jilted lovers to shoot one another." Instead of "finding ways to silence the messenger," we should be "heeding the anguished cry contained in his message."

This defense is self-contradictory. Frankie and Johnny does not pretend to have a political "message" that must be "heeded." If Cop Killer has a message, it is that the murder of policemen is a justified response to police brutality. And not in self-defense, but in premeditated acts of revenge against random cops. ("I know your family's grievin' -- f--- 'em.")

Killing policemen is a good thing -- that is the plain meaning of the words, and no "larger understanding" of black culture, the rage of the streets or anything else can explain it away. This is not Ella Fitzgerald telling a story in song. As in much of today's popular music, the line between performer and performance is purposely blurred. These are political sermonettes clearly intended to endorse the sentiments being expressed. Tracy Marrow (Ice-T) himself has said, "I scared the police, and they need to be scared." That seems clear.

The company's second defense of Cop Killer is the classic one of free expression: "We stand for creative freedom. We believe that the worth of what an artist or journalist has to say does not depend on preapproval from a government official or a corporate censor."

Of course Ice-T has the right to say whatever he wants. But that doesn't require any company to provide him an outlet. And it doesn't relieve a company of responsibility for the messages it chooses to promote. Judgment is not "censorship." Many an "anguished cry" goes unrecorded. This one was recorded, and promoted, because a successful artist under contract wanted to record it.

Nothing wrong with making money, but a company cannot take the money and run from the responsibility.

The founder of Time, Henry Luce, would snort at the notion that his company should provide a value-free forum for the exchange of ideas. In Luce's system, editors were supposed to make value judgments and promote the truth as they saw it. Time has moved far from its old Lucean rigidity -- far enough to allow for dissenting essays like this one. That evolution is a good thing, as long as it's not a handy excuse for abandoning all standards.

No commercial enterprise need agree with every word that appears under its corporate imprimatur. If Time Warner now intends to be "a global force for encouraging the confrontation of ideas," that's swell. But a policy of allowing diverse viewpoints is not a moral free pass. Pro and con on national health care is one thing; pro and con on killing policemen is another.

A bit of sympathy is in order for Time Warner. It is indeed a "global force" with media tentacles around the world. If it imposes rigorous standards and values from the top, it gets accused of corporate censorship. If it doesn't, it gets accused of moral irresponsibility. A dilemma. But someone should have thought of that before deciding to become a global force.

And another genuine dilemma. Whatever the actual merits of Cop Killer, if Time Warner withdraws the album now the company will be perceived as giving in to outside pressure. That is a disastrous precedent for a global conglomerate.

The Time-Warner merger of 1989 was supposed to produce corporate "synergy": the whole was supposed to be more than the sum of the parts. The Cop Killer controversy is an example of negative synergy. People get mad at Cop Killer and start boycotting the movie Batman Returns. A reviewer praises Cop Killer ("Tracy Marrow's poetry takes a switchblade and deftly slices life's jugular," etc.), and TIME is accused of corruption instead of mere foolishness. Senior Time Warner executives find themselves under attack for -- and defending -- products of their company they neither honestly care for nor really understand, and doubtless weren't even aware of before controversy hit.

Anyway, it's absurd to discuss Cop Killer as part of the "confrontation of ideas" -- or even as an authentic anguished cry of rage from the ghetto. Cop Killer is a cynical commercial concoction, designed to titillate its audience with imagery of violence. It merely exploits the authentic anguish of the inner city for further titillation. Tracy Marrow is in business for a buck, just like Time Warner. Cop Killer is an excellent joke on the white establishment, of which the company's anguished apologia ("Why can't we hear what rap is trying to tell us?") is the punch line.

>>>05 The Harmony of the Spheres By PAUL DAVIES Monday, Feb. 05, 1996

The discovery of life beyond earth would transform not only our science but also our religions, our belief systems and our entire world view. For in a sense, the search for extraterrestrial life is really a search for ourselves--who we are and what our place is in the grand sweep of the cosmos.

Contrary to popular belief, speculation that we are not alone in the universe is as old as philosophy itself. The essential steps in the reasoning were based on the atomic theory of the ancient Greek philosopher Democritus. First, the laws of nature are universal. Second, there is nothing special or privileged about Earth. Finally, if something is possible, nature tends to make it happen.

Philosophy is one thing, filling in the physical details is another. Although astronomers increasingly suspect that bio-friendly planets may be abundant in the universe, the chemical steps leading to life remain largely mysterious.

Traditionally, biologists believed that life is a freak--the result of a zillion-to-one accidental concatenation of molecules. It follows that the likelihood of its happening again elsewhere in the cosmos is infinitesimal. This viewpoint derives from the second law of thermodynamics, which predicts that the universe is dying--slowly and inexorably degenerating toward a state of total chaos. Life bucks this trend only because it is a statistical fluke.

Similar reasoning applies to evolution. According to the orthodox view, Darwinian selection is utterly blind. Any impression that the transition from microbes to man represents progress is pure chauvinism on our part. The path of evolution is merely a random walk through the realm of possibilities.

If this is right, there can be no directionality, no innate drive forward; in particular, no push toward consciousness and intelligence. Should Earth be struck by an asteroid, destroying all higher life-forms, intelligent beings, still less humanoids, would almost certainly not arise next time around.

There is, however, a contrary view--one that is gaining strength and directly challenges orthodox biology. It is that complexity can emerge spontaneously through a process of self-organization. If matter and energy have an inbuilt tendency to amplify and channel organized complexity, the odds against the formation of life and the subsequent evolution of intelligence could be drastically shortened.

The relevance of self-organization to biology remains hotly debated. It suggests, however, that although the universe as a whole may be dying, an opposite, progressive trend may also exist as a fundamental property of nature. The emergence of extraterrestrial life, particularly intelligent life, is a key test for these rival paradigms.

These issues cut right across traditional religious dogma. Many people cling to the

belief that the origin of life required a unique divine act. But if life on Earth is not unique, the case for a miraculous origin would be undermined. The discovery of even a humble bacterium on Mars, if it could be shown to have arisen independently from Earth life, would support the view that life emerges naturally.

Historically, the Roman Catholic Church regarded any discussion of alien life as heresy. Speculating about other inhabited worlds was one reason philosopher Giordano Bruno was burned at the stake in 1600. Belief that mankind has a special relationship with God is central to the monotheistic religions. The existence of alien beings, especially if they were further advanced than humans intellectually and spiritually, would disrupt this cozy view.

Christianity faces a peculiar problem in relation to the Incarnation. Was this event unique in the universe, as official doctrine insists, or did God take on alien flesh too? Is Christ the Saviour of humans alone, or of all intelligent beings in our galaxy and beyond?

Weighed against these threatening factors is the uplifting picture of the universe that the ubiquity of life and consciousness implies. A cosmos that starts out in a sterile Big Bang and gradually progresses through complex chemistry to life, intelligence and culture--and sentient beings who can look back and reflect on the meaning of it all--is profoundly inspiring. The fact that this advance can take place entirely naturally, without divine intervention, adds to the wonder.

Bertrand Russell argued that a universe under a death sentence from the second law of thermodynamics rendered human life ultimately futile. All our achievements, all our struggles, "all the noonday brightness of human genius," as he put it, would, in the final analysis, count for nothing if the very cosmos itself is doomed.

Russell's despairing tone is frequently echoed by contemporary thinkers. Thus the French Nobel-prizewinning biologist Jacques Monod writes, "Man at last knows that he is alone in the unfeeling immensity of the universe, out of which he has emerged only by chance."

But what if, in spite of the second law of thermodynamics, there can be systematic progress alongside decay? For those who hope for a deeper meaning or purpose beneath physical existence, the presence of extraterrestrial life-forms would provide a spectacular boost, implying that we live in a universe that is in some sense getting better and better rather than worse and worse.

>>>06 Why the Religious Right is Wrong By Barbara Ehrenreich Monday, Sep. 07, 1992

That low moaning sound in the background just might be the Founding Fathers protesting from beyond the grave. They have been doing it ever since the Republicans announced a "religious war" in the name of "traditional values." It

grew several decibels louder last week when George Bush, at a breakfast of religious leaders, scorched the Democrats for failing to mention God in their platform and declaimed that a President needs to believe in the Almighty. What about the constitutional ban on "religious test((s))" for public office? the Founding Fathers would want to know. What about Tom + Jefferson's conviction that it is possible for a nonbeliever to be a moral person, "find((ing)) incitements to virtue in the comfort and pleasantness you feel in its exercise"? Even George Washington must shudder in his sleep to hear the constant emphasis on "Judeo-Christian values." It was he who wrote, "We have abundant reason to rejoice that in this Land . . . every person may here worship God according to the dictates of his own heart."

George Bush should know better than to encourage the theocratic ambitions of the Christian right. He has claimed -- to much snide derision -- that when he was shot down during World War II and lay floating in the Pacific for four hours, he meditated on "God and faith and the separation of church and state." But there could be no better themes for a patriot to address in his final moments. The "wall of separation" the Founding Fathers built between church and state is one of the best defenses freedom has ever had. Or have we already forgotten why the Founding Fathers put it up? They had seen enough religious intolerance in the colonies: Quaker women were burned at the stake in Puritan Massachusetts; Virginians could be jailed for denying the Bible's authority. They knew Europe had terribly disfigured itself in a religious war recalled now only by its duration -- 30 years. No wonder John Adams once described the Judeo-Christian tradition as "the most bloody religion that ever existed," and that the Founding Fathers took such pains to keep the hand that holds the musket separate from the one that carries the cross.

There was another reason for the separation of church and state, which no amount of pious ranting can expunge: not all the Founding Fathers believed in the same God, or in any God at all. Yes, the Declaration of Independence refers to a deity, but only in the most generic terms -- "Nature's God," the "Creator," "Providence" -- calculated not to offend the doubters and deists (who believed that God had designed the universe, then left it to nature to run). Jefferson was a renowned doubter, urging his nephew to "question with boldness even the existence of a God." John Adams was at least a skeptic, as were of course the revolutionary firebrands Tom Paine and Ethan Allen. Naturally, they designed a republic in which they themselves would have a place.

For this, today's Republicans should be far more grateful than they are. Abe Lincoln, the patriarch of their party, did not, according to his law partner of 22 years, believe in a personal God, and refused to join a church, stating "When you show me a church based on the Golden Rule as its only creed, then I will unite with it." Ulysses S. Grant, another Republican, exhorted his countrymen to "Keep the church and state forever separate" and strongly opposed the use of any public money to support parochial schools -- as proposed in the 1992 Republican platform.

Yet another reason argues for the separation of church and state. If the Founding Fathers had one overarching aim, it was to limit the power not of the churches but of the state. They had seen the abuses of kings who claimed to rule with divine approval, from Henry VIII, who arbitrarily declared himself head of the Church of England, to the high-handed George III. They were deeply concerned, as Adams wrote, that "government shall be considered as having in it nothing more mysterious or divine than other arts or sciences."

The government the Founding Fathers designed could levy taxes and raise an army, but it could not do these or any other things in the name of a Higher Power. We salute our flag, not kneel before it; we pay taxes, not tithes. By stripping government of supernatural authority, the Founding Fathers created a zone of freedom around each individual human conscience -- or, for that matter, religious sect. They demystified government and reduced it to something within reach of human comprehension, protest and change. Surely the Republicans, committed as they are to "limited government," ought to honor the secular spirit that has limited our government from the moment of its birth.

The same fear of governmental tyranny kept the Founding Fathers from prescribing anything like "family values." Homosexuality was not unknown 200 years ago; nor was abortion. But these were matters, like religion, that the founders left to individual conscience. If there was one thing they did believe in, to a man, it was the power of the individual, informed by reason, to decide things for him -- or her -- self.

Over the years, there have been repeated efforts to invest the U.S. government with the cachet of divine authority. "In God We Trust" was first stamped on currency in the 1860s. "Under God" was inserted into the Pledge of Allegiance during the McCarthyist 1950s. George Bush campaigned in 1988 to have the flag treated like a sacred object. And perhaps every revolution is doomed to be betrayed, sooner or later, by its progeny. It only adds insult to + injury, though, when the betrayal is dressed up in the guise of "traditional values."

>>>07 Welfare: A White Secret By Barbara Ehrenreich Monday, Dec. 16, 1991

Come on, my fellow white folks, we have something to confess. No, nothing to do with age spots or those indoor-tanning creams we use to get us through the | winter without looking like the final stages of TB. Nor am I talking about the fact that we all go home and practice funky dance moves behind drawn shades. Out with it, friends, the biggest secret known to whites since the invention of powdered rouge: welfare is a white program. Yep. At least it's no more black than Vanilla Ice is a fair rendition of classic urban rap.

The numbers go like this: 61% of the population receiving welfare, listed as "means-tested cash assistance" by the Census Bureau, is identified as white, while

only 33% is identified as black. These numbers notwithstanding, the Republican version of "political correctness" has given us "welfare cheat" as a new term for African American since the early days of Ronald Reagan. Yet if the Lakers were 61% white and on a winning streak, would we be calling them a "black team"?

Wait a minute, I can hear my neighbors say, we're not as slow at math as the Asian Americans like to think. There's still a glaring disproportion there. African Americans are only 12% of the population as a whole, at least according to the census count, yet they're 33% of the welfare population -- surely evidence of a shocking addiction to the dole.

But we're forgetting something. Welfare is a program for poor people, very poor people. African Americans are three times as likely as whites to fall below the poverty level and hence to have a chance of qualifying for welfare benefits. If we look at the kind of persons most likely to be eligible -- single mothers living in poverty with children under 18 to support -- we find little difference in welfare participation by race: 74.6% of African Americans in such dire straits are on welfare, compared with 64.5% of the poor white single moms.

That's still a difference, but not enough to imply some congenital appetite for a free lunch on the part of the African-derived. In fact, two explanations readily suggest themselves: First, just as blacks are disproportionately likely to be poor, they are disproportionately likely to find themselves among the poorest of the poor, where welfare eligibility arises. Second, the black poor are more likely than their white counterparts to live in cities, and hence to have a chance of making their way to the welfare office. Correct for those two differences, and you won't find an excess of African Americans fitting the stereotype of the sluttish welfare queen who breeds for profit.

So why are they so poor? I can see my neighbor asking as visions of feckless idlers dance before his narrowed eyes. Ah, that is a question white folks would do well to ponder. Consider, for a start, that African Americans are more likely to be disabled (illness being a famous consequence of poverty) or unemployed (in the sense of actively seeking work) and far less likely to earn wages that would lift them out of the welfare-eligibility range.

As for the high proportion of black families headed by single women (44%, compared with 13% for whites): many deep sociohistoric reasons could be adduced, but none of them is welfare. A number of respected studies refute the Reagan-era myth that a few hundred a month in welfare payments is a sufficient incentive to chuck one's husband or get pregnant while in high school. If it were, states with relatively high welfare payments -- say, about $500 a month per family -- would have higher rates of out-of-wedlock births than states like Louisiana and Mississippi, which expect a welfare family to get by on $200 a month or less. But this is not the case.

So our confession stands: white folks have been gobbling up the welfare budget while blaming someone else. But it's worse than that. If we look at Social Security, which is another form of welfare, although it is often mistaken for an individual insurance program, then whites are the ones who are crowding the trough. We receive almost twice as much per capita, for an aggregate advantage to our race of $10 billion a year -- much more than the $3.9 billion advantage African Americans gain from their disproportionate share of welfare. One sad reason: whites live an average of six years longer than African Americans, meaning that young black workers help subsidize a huge and growing "overclass" of white retirees. I do not see our confession bringing much relief. There's a reason for resentment, though it has more to do with class than with race. White people are poor too, and in numbers far exceeding any of our more generously pigmented social groups. And poverty as defined by the government is a vast underestimation of the economic terror that persists at incomes -- such as $20,000 or even $40,000 and above -- that we like to think of as middle class.

The problem is not that welfare is too generous to blacks but that social welfare in general is too stingy to all concerned. Naturally, whites in the swelling "near poor" category resent the notion of whole races supposedly frolicking at their expense. Whites, near poor and middle class, need help too -- as do the many African Americans, Hispanics and "others" who do not qualify for aid but need it nonetheless.

So we white folks have a choice. We can keep pretending that welfare is a black program and a scheme for transferring our earnings to the pockets of shiftless, dark-skinned people. Or we can clear our throats, blush prettily and admit that we are hurting too -- for cash assistance when we're down and out, for health insurance, for college aid and all the rest.

Racial scapegoating has its charms, I will admit: the surge of righteous anger, even the fun -- for those inclined -- of wearing sheets and burning crosses. But there are better, nobler sources of white pride, it seems to me. Remember, whatever they say about our music or our taste in clothes, only we can truly, deeply blush.

>>>08 The Whipping Boy By JAMES WALSH Monday, May. 02, 1994

Should anyone much care whether an American boy living overseas gets six vicious thwacks on his backside? So much has been argued, rejoined and rehashed about the case of Michael Fay, an 18-year-old convicted of vandalism and sentenced to a caning in Singapore, that an otherwise sorry little episode has shaded into a certified International Incident, complete with intercessions by the U.S. head of state. An affair that sometimes sounds -- on editorial pages -- equivalent to the abduction of Helen of Troy has outraged American libertarians even as it has animated a general debate about morality East and West and the proper functioning of U.S. law and order. The Trojan War this is not: the wooden horse is in America's citadel.

Which, to all appearances, is what Singapore wanted. The question of whether anyone should care about Michael Fay is idle: though Singapore officials profess shock at the attention his case has drawn, they know Americans care deeply about the many sides of this issue. Does a teenager convicted of spraying cars with easily removable paint deserve half a dozen powerful strokes on the buttocks with a sopping-wet bamboo staff? At what point does swift, sure punishment become torture? By what moral authority can America, with its high rates of lawlessness and license, preach to a safe society about human rights? Isn't the shipshape and affluent little city-state molded by Lee Kuan Yew a model of civic virtues?

Not quite the game of Twenty Questions, but close enough. The caning sentence has fascinated many Americans who had never heard of Singapore and perhaps could not tell Southeast Asia from Sweden on a map. It has concentrated minds wondrously on an already lively domestic debate over what constitutes a due balance between individual and majority rights. Too bad Michael Fay has become a fulcrum for this discussion. Not only does he seem destined to be pummeled and immobilized by an instrument of ordeal, but the use of Singapore as a standard for judging any other society, let alone the cacophonous U.S., is fairly worthless.

To begin with, Singapore is an offshore republic that tightly limits immigration. Imagine crime-ridden Los Angeles, to which Singapore is sometimes contrasted, with hardly any inflow of the hard-luck, often desperate fortune seekers who flock to big cities. Imagine in the same way Jakarta or Shanghai. Beyond that, Singapore began its life as a British colony designed to serve as a shipping, administrative and financial center. Today it is a highly skilled society without the urban sprawl and rural poverty that afflict larger nations. An analogue might be Manhattan incorporated as a republic between the Battery and 96th Street, with its own flag, armed forces and immigration controls.

Even without its government's disciplinary measures, Singapore more than plausibly would be much the same as it is now. An academic commonplace today is that the major factor determining social peace and prosperity is culture -- a sense of common identity, tradition and values. The house that Lee built is 76% ethnic Chinese, a people with one of the most self-disciplined cultures in the world. Prizing family, learning and hard work, overseas Chinese have prospered wherever they have settled. Heavily Chinese Hong Kong is, granted, a somewhat messier place than Singapore. But without social engineering or the flogging of vandals, Hong Kong is still very safe and quite rich. Its crime rate: 1,522 reported offenses for every 100,000 people in 1992. Singapore's was 1,507.

And America's? Don't ask. Unlike Singapore, though, the U.S. today is a nation in search of a common culture, trying to be a universal society that assimilates the traditions of people from all over the world. Efforts to safeguard minority as well as individual rights have produced, as Lee charges, a gridlock in the justice system. America is not the pandemonium portrayed in the shock-addicted mass media. But

its troubles stem more from the decay of family life than from any government failures. Few societies can afford to look on complacently. As travel eases and cultures intermix, the American experience is becoming the world's.

Singaporeans have every right to be proud of their achievements. Does that justify Michael Fay's sentence? A letter writer to the New York Times advised that "six of the best," as he suffered at an English public (that is, private) school, might cure all that ails American youth. Comparing Fay's sentence to a headmaster's paddling is fatuous -- but then, as John Updike once noted, old boys of Eton and Harrow can often "mistake a sports car for a woman or a birch rod for a mother's kiss." The pain from flaying with wet rattan, as it is done in Singapore, can knock a prisoner out cold.

The circumstances of this affair -- evidently no Singaporean has ever been punished under the Vandalism Act for defacing private property -- suggest that Singapore has used Fay as an unwilling point man in a growing quarrel between East and West about human rights. Several large Asian countries, China among them, argue that the U.S. has no business criticizing their own, equally legitimate values. But Japan stresses majority rights too. So does Hong Kong. Neither is watering its economic miracle with the blood from a bamboo cane.

POLITICS

>>>09 Who's Your Daddy? By Andrew Sullivan Monday, Jun. 18, 2001Print

One worked in the oil industry and baseball; the other dropped out of college and laid oil pipes out West. Neither speaks too much, preferring action to words. Hobbies? Fly-fishing, with little talking; walking on the ranch. An energy crisis? Drill for more oil. A teaching failure? Test 'em. A surplus? Give it back to the people.

This may be a slightly skewed reading of the political style of George W. Bush and Dick Cheney, but it gets at something real. On the eve of Father's Day, these men are straight off a 1950s Hallmark card. These guys are guys. They're guyish. The model of their masculinity is definitely retro--stern dads in suits and ties, undemonstrative, matter-of-fact, but with alleged hearts of gold. They tend not to explain much, and they're not the best at intimate chats or hand-holding sessions. Like most dads from the 1950s, they also tend to foster adolescent rebellion. Think of Jim Jeffords as a neglected teenager, finally running away from home.

Chris Matthews once described the Republicans and the Democrats as the Daddy Party and the Mommy Party. But these days, the contrast in leadership style is more old man vs. new man. Compare Bush-Cheney with Clinton-Gore. With the Democratic boomers, we had archetypes of new men. Clinton was a classic. A believer in feminism because it gave him greater opportunities to meet women and have sex, Clinton knew how to disguise his roguish heart with a new man's patter. He talked the talk on women's rights, gave his wife an unelected office and backed

abortion rights to the nth degree. But behind the scenes, like most male feminists in the 1970s, he was talking dirty with Vernon Jordan and manhandling the help. He was a new man with an old male agenda.

Gore, in contrast, was a new man with integrity and vulnerable sexuality. Proudly monogamous, he was every woman's dream husband, tonguing his wife's tonsils onstage and parading his gorgeous daughters for votes. He talked endlessly about his feelings, dabbled in New Age profundity, backed gay rights and spoke of his own existential crises. He was a man who would rather gaze at an Internet image of the rotating Earth than get in a rocket and fly to the moon.

Bush, by comparison, has a resume that conforms with every pre-1970s ideal of what real men really do. He was a rebel against his father--but eventually became the most dutiful son. He boozed and pranked his way through college. He went to a y-chromosome graduate school--in business, natch. He then dabbled in oil and baseball. He speaks the language of sports players and frat boys: inarticulate, abrupt and mostly a mix of self-deprecation and merciless teasing of others. Hence the nicknames for colleagues and journalists. Could anything get more guyish?

Cheney completes the picture. In the vice-presidential debate, he gave off the aura of the dad who has been dragged in to resolve a family dispute. Patiently, with occasional sighs and forced smiles, he laid out what he regarded as common sense. And, as if triggered by some deep psychological need, we lapped it up. It was as if Cheney had walked onto the stage, looked straight in the camera and asked, "Who's your daddy?" The heart attacks complete the picture. What other cultural symbol captures the essence of the 1950s dad--the man shouldering the responsibility, absorbing the stress and eating mounds of steak?

Of course, both Bush and Cheney are reconstructed figures from the 1950s. Bush talks about his "heart" a lot; he is comfortable touching others in a way his father's generation wasn't. He is at ease around professional women. Even Cheney, in his way, has evolved. In his close relationship with his lesbian daughter Mary, he has obviously dealt with a subject matter no 1950s father would have gone near. But just when you think Cheney might be all wet, look at what gets him excited: energy policy, defense restructuring, tax cuts. He likes areas where you can get things done. And the more feminine qualities of empathy and compromise are not so easy for him.

But if these two men are clearly filling a cultural need, it may come with a political price. Clinton upped the emotional ante in politics. Whether it was after the Oklahoma City bombing, where his natural empathy for the suffering rallied the whole country or whether it was his emotional vulnerability while being deposed for sexual-harassment charges, Clinton gave our politics a soft, emotional underbelly we grew used to. In Britain, the voters just backed softhearted new father Tony Blair over the stiff upper lip of William Hague. I admire the Bush-Cheney style, but it doesn't soothe a somewhat pampered public. If the Republican leaders don't

adjust a little and add a patina of 1990s sensitivity to 1950s propriety, they may find the voters looking to other models of fatherhood to keep them happy.

>>>10 The Ties that Won't Bind By MARK R. MITCHELL Monday, Dec. 03, 2001Print

It was all spit and tears. The most salient moment in the campaign for Taiwan's legislative elections last Saturday a contest the local press ultimately dubbed the "saliva war" came when the opposition Kuomintang (KMT) issued an official press release in which it remarked, without elaborating, that "23 million Taiwanese are wiping the DPP's ass." Candidates from the ruling Democratic Progressive Party were not the only ones splashed with vitriol. At one time or another, negative campaigning and personal attacks sent members of each of Taiwan's four major parties to their knees, weeping. Or at least they put on a good show of crying as the TV cameras recorded their entreaties to the electorate to vote for them out of sympathy. If the candidates had cooked up ideas for pulling the island out of its worst ever recession, they didn't share them.

The schmaltzy theater and lack of serious debate on the issues led many Taiwanese to write off the campaign as nothing more than a bad joke. But by the time results were tallied on Saturday night, it was clear that, either by serendipity or intent, Taiwan's voters had orchestrated a revolution, one that is arguably even more sweeping than Chen Shui-bian's victory in the March 2000 presidential elections. As a result, Taiwan's relations with mainland China, which regards the island as a renegade province, could become a lot more testy.

When Chen rose to the presidency, ending 50 years of KMT rule, the commissars in Beijing worried that he and the DPP would try to assert formal independence for Taiwan. Those concerns proved unfounded, largely because Chen was constrained by the KMT, which not only retained a majority in the legislature, but also became a pulpit for decidedly pro-China politicians under its mainland-born chairman, Lien Chan. On Saturday, however, voters tore off Chen's shackles as the KMT won only 68 of the legislature's 225 seats, down from 123 coming into the vote. Chen's DPP, meanwhile, will occupy 87 seats, up from 70.

That does not give the President an absolute majority, but it does allow him to strike a deal to lure a few maverick KMT or independent politicians rather than engage in tedious and fragile coalition building, leaving the KMT totally out of the government. For the first time since Chiang Kai-shek's army fled to Taiwan, it seems likely politicians advocating unification with the mainland have been sidelined.

The indefatigable Lee Teng-hui, who was President for 12 years and chairman of the KMT until he was ousted by pro-China politicians earlier this year, was partly responsible for crippling his former party. Lee was not a candidate in Saturday's election and holds no governmental position. But you wouldn't have guessed it

judging by his airtime during the campaign and the fact that Taiwan has been papered over with posters bearing his grandfatherly face. The 78-year-old Lee has fashioned himself as the chief backer of the Taiwan Solidarity Union (TSU), a three-month-old party made up of politicians whose chief qualification seems to be that they are friends with Lee Teng-hui.

The TSU might not become a force to be reckoned with, but Lee almost certainly will. Last week, he announced that he will form something called a "do tank," which he said will be sort of like a think tank, except that it will actually do something: namely, pressure the government and Taiwan's opposition politicians to think like him. And his campaign speeches made it clear that this means taking a much harder line on China and its sympathizers in the KMT. In one speech, Lee described himself as a prophet who would help release the Taiwanese people from the bondage of an overly powerful KMT and an intrusive China, boasting that "Lee Teng-hui is the only one in the world who's not afraid of the Chinese communists."

Within hours of his announcement, Chen said his government was ready to work with the TSU and Lee's do tank. And there are signs that the former President's rallying cry has made an impression with large numbers of KMT members who oppose the party's current stance on cross-strait relations. KMT candidate Chen Hsueh-fen, for example, spent much of the campaign arguing that her party should cooperate more closely with the DPP, a move she said would involve adopting a Lee-esque position on China. If the mainlander element of the KMT proves stubborn, Chen hinted that between 20 and 30 members of the party are ready to act unilaterally, perhaps even defecting to the DPP. While that might be an exaggeration, many analysts believe that a significant chunk of the KMT harbors similar sentiments and that this could, at a minimum, portend a change of leadership and a major rethink of the party's policy toward Beijing. This would make the KMT even more like Chen Shui-bian's DPP, and leave the mainland, suddenly, without a Taiwan counterpart advocating reunification.

>>>11 Yes, We'll Survive By Molly Ivins Monday, Dec. 25, 2000Print
My fellow Democrats: Do not flee to Canada yet! George W. Bush is not stupid, and he is not mean.

O.K., he's not the brightest porch light on the block. Get over it. I frankly don't expect much from him; neither do you; and that's the best thing he has going for him. If he so much as clears a matchbox, we'll all fall back in wonder. Think how pleasantly surprised we're going to be when we discover George W. is, as he has been all his life, sort of adequate. Not so deep as a well, nor so wide as a church door, but he'll do.

It is polite, not to mention patriotic, to fall in line behind a new President and kind of give him a send-off cheer. Despite the awkward circumstances, I'm for giving W. the old hip-hip. Besides, as Tolstoy once titled a short story, God Sees the Truth, But Waits.

It is true that Bush has difficulty expressing himself in the English language. On the other hand, you can usually tell what he meant to say. His daddy was often perfectly impenetrable, and we survived. W. is highly unlikely ever to throw up on the Prime Minister of Japan, have an affair with an intern or declare war on Grenada.

Bush is a little vague on a lot of things. Yes, we are looking at a steep learning curve. The worst moment of the 36-day Long Count was probably when Bush, attempting to "look presidential," held a mock Cabinet meeting, in the course of which he observed in an appallingly chipper manner, "There are issues in Israel right now that I'm looking forward to hearing about."

Sorry to remind you of that, as it may prompt you once more to consider decamping to what W. called "our most important neighbor to the north." What I want to argue seriously here is that we have evidence that W. Bush learns, he learns fast, and then he is Not Bad. He has a consistent pattern of searching out father figures as mentors in each field he's tried, and he's always selected good ones. In Texas he chose (or was chosen by; let's keep that open) lieutenant governor Bob Bullock, one of the shrewdest s.o.b.s who ever walked. Let's just say that if Bush had studied politics under Lyndon Johnson or Machiavelli, he couldn't have done better. Dick Cheney is apparently the new mentor, and I'm favorably impressed, certainly by Cheney's demeanor; one worries because his voting record is so nutsoid.

Here is the great unanswerable question: Exactly how ideologically right wing is George W. Bush? You can find evidence suggesting he is and suggesting he isn't. You can find a lot of evidence that he talks out of both sides of his mouth. When Bush started out as Governor of Texas, many of his appointments were enough to make your hair hurt, especially on the environment, and he tried to sell some policy ideas that were flatly ridiculous--privatizing welfare, privatizing pollution control. As soon as he realized they weren't going to fly, he dropped them. He became markedly more pragmatic, and in what I consider the single finest stand he ever took, in 1997 he fought like a Trojan for what was actually a Democratic plan to make taxes fairer, specifically in an effort to pay for public schools. He lost. Bush couldn't deliver his own party on that one. But anyone who wants to write him off as a disengaged part-timer should know he was so fully involved in that fight, he could have been a floor manager the way he was twisting arms, calling in favors, busting balls, the entire panoply of power plays. He and Bullock were a helluva team. It's just real hard to beat the lobby in Texas.

Because W. Bush is not terribly interested in public policy, what we've often seen in Texas is staff-driven policy. And I am not that impressed with the staff. To my certain knowledge, one politically costly and inhumane veto was prompted by a staff member so ignorant of the actual conditions the guy should have been summarily fired. (This happened to be on providing legal counsel for poor folks accused of crimes: our state has a system so miserable we actually execute

innocent people.) The staff member was such a fool that his entire argument depended upon reactions from Houston judges, who get their campaign contributions from the current system. You can't count on Bush to see through a thing like that. But he can learn, and if there's anything that will rivet your attention, it's the challenges of the presidency. I think that when W. Bush is there, he's paying attention, he's heard the arguments (short form please, attention span not that long), and he is Not Bad.

I could be wrong, of course, and if Bush's first nomination to the Supreme Court is Edith Jones (who recently held that if your lawyer sleeps through your trial, at least you had one, so what the hell difference does it make?), run for the border; Canada is our most important neighbor to the north.

>>>12 Strike First, Explain Yourself Later By Michael Elliott; Massimo Calabresi and Mark Thompson Monday, Jul. 01, 2002

You remember, of course, the Caroline incident? (Don't worry; neither did I.) In 1837 Canadian forces attacked a U.S. ship of that name, killed one of its passengers, set it on fire and then cast it adrift just above Niagara Falls. The British government said its forces had acted in self-defense; those on the Caroline, London claimed, were supporters of a rebellion against British rule in Canada. In an exchange of diplomatic notes, U.S. Secretary of State Daniel Webster argued that a nation could only justify such pre-emptive hostile action if there was a necessity "instant, overwhelming, leaving no choice of means and no moment for deliberation." Ever since, Webster's dictum has been regarded as a principle of international law.

I found myself reading up on the Caroline after a trip to London last week. In Britain commentators and policy makers are agog about a new U.S. doctrine, unveiled by President George W. Bush in a commencement address early this month at West Point. Surveying the post-Sept. 11 world, Bush said that "if we wait for threats to fully materialize, we will have waited too long...We must take the battle to the enemy, disrupt his plans and confront the worst threats before they emerge." The speech, wrote Peter Riddell, a sober columnist for the London Times, "signaled the most far-reaching shift in American foreign policy for more than 50 years."

Is that the case? At first sight, Bush's doctrine of pre-emptive attack seems frightening. True, Administration officials have said that pre-emption can take nonmilitary forms. But it still seems as if the U.S. has arrogated to itself the right to go to war whenever it sniffs danger from a regime it doesn't like. And Bush's speech seems inconsistent both with the very narrow Caroline principle and with Article 51 of the United Nations charter, which allows self-defense only "if an armed attack occurs" (not "is likely to occur") against a nation. Yet pre-emptive strikes can often be justified even if they don't meet the letter of the law. At the start of the Six-Day War in 1967, Israel, fearing that Egypt was aiming to destroy the Jewish state,

devastated Egypt's air force before its pilots had scrambled their jets. In 1981 Israel bombed the Osirak nuclear reactor in Iraq, an incident that provoked worldwide disapproval. But given what we now know about Saddam Hussein's regime, only the most nit picking of lawyers--admittedly, a large category--would still condemn the action.

In a similar way, pre-emption can be justified by the nature of today's threats. The only way to challenge the enormous strength of the American armed forces is with unconventional warfare--terrorism or the use of weapons of mass destruction. The U.S. edge in tanks and warplanes counts for nothing against such threats, so other methods need to be found. Moreover, some serious dangers come not from national armed forces but from groups like al-Qaeda, against which conventional doctrines won't work. How are we supposed to deter Osama bin Laden when we can't find him?

For those reasons, Washington policy makers have good arguments for what they call a "forward-leaning" strategy, one that doesn't wait for something awful to happen before applying armed force. Iraq is at the heart of the debate. For the Bush Administration, the only safe way to deal with Saddam's weapons of mass destruction is for them to be destroyed--whether or not they have yet been used against the interests of the U.S. or its friends.

Fine; but if pre-emption is to be adopted as a doctrine, it has to encompass more than one rogue state. Will its use be limited to those nations--like Iraq--that possess weapons of mass destruction? Or can it be used whenever an Administration feels like it? And what happens if other nations follow the lead of the U.S. and incorporate pre-emption into their strategic thinking? (Imagine nuclear-armed India deciding to attack terrorist camps in nuclear-armed Pakistan.) That way lies international anarchy.

Inside the Administration, officials are trying to turn the new doctrine into a formal paper. That's wise. International law, to be sure, is often honored mainly in the breach. But sometimes it makes sense to set out plainly--and not just in a speech at West Point--the circumstances in which one nation feels entitled to take up arms against another. Daniel Webster understood that more than 160 years ago. George W. Bush could do worse than to emulate him today.

>>>13 First, the Good News... By Daniel Kadlec; Jyoti Thottam Monday, Mar. 18, 2002

Gosh, this feels good. Almost inexplicably, an economy that looked rotten two weeks ago has suddenly turned super. Construction, factories, services, retailing--you name the tune and it's got an upbeat tempo. The latest twist came Friday, when the Labor Department reported net job creation for the first time in seven months and a drop in the unemployment rate to 5.5% in February, from 5.6% the month before. Normally, unemployment continues to drift higher for a few

months after a recovery starts. This could be the beginning of one of the quickest job rebounds ever.

So take a deep breath. After a brief but painful downturn marked by widespread layoffs, a morale-crushing bear market in stocks and the virtual shutdown of the travel industry post-Sept. 11, the rich smell of recovery is in the air. Even basset-faced Alan Greenspan has picked up the scent. "Recent evidence increasingly suggests that an economic expansion is already well under way," the Fed chief told the Senate Banking Committee.

Yet this recovery comes with some unusual baggage: the same forces that made the recession short and shallow are likely to dampen the recovery. Housing never cracked; now it won't boom. Consumers never stopped spending; now they're in debt and can't pick up the pace. President Bush's tax rebate, paid out during the worst of the recession, was "insanely well timed," says Maureen Allyn, chief economist at Zurich Scudder. Any comparable success with whatever stimulus package Congress might pass is unlikely. On the factory front, new inventory controls have given managers earlier warning of waning demand than they had in previous slumps, and led them to cut orders before goods piled up to the ceiling. The same controls will lead firms to restock slowly.

The bottom line is that the boost you're feeling may be the headiest part of the recovery for many months--and will probably be short lived at that, as businesses move quickly from paring inventories to maintaining them. But it's a solid start. Investors have bought into it big time: over two weeks, the Dow has risen 8%; the tech-heavy NASDAQ, 12%. But market sentiment can be fickle. A more encouraging sign is that productivity--which normally declines during recessions as output falls faster than hours worked--amazingly increased during the slump. The Labor Department reported last week that output per worker surged at an annualized rate of 5.2% in the fourth quarter, and rose 1.9% for all of 2001, even as the economy inched along. Productivity growth will probably continue as demand recovers, allowing employers to increase pay without raising prices or fueling inflation.

The economy's resiliency has some economists, and even the Administration, asserting that last year's tough times don't qualify for R-word status. "It seems quite clear now that our economy maybe never suffered a recession," Treasury Secretary Paul O'Neill said last week. Sung Won Sohn, chief economist at Wells Fargo, agrees: "I personally don't believe we went into a recession." By one measure they're correct. Recessions are commonly defined as at least two consecutive quarters of declining gross domestic product, a measure of national output. This slump didn't make the cut. There has been just one quarter of negative growth, last year's third quarter, when GDP fell at an annualized rate of 1.3%. GDP rose 1.4% the following quarter and is expanding now as well.

Yet the was-it-or-wasn't-it debate is plain silly in view of last year's measurable

carnage. Nearly two million Americans lost their jobs. Corporate profits fell 22% in the third quarter, compared with the same period a year earlier. That was among the worst slides ever in the U.S. Household net worth fell 2.4% as part of a two-year dip--the first in 50 years. The economy, growing at a 6% rate in June 2000, was at a virtual standstill a year later--a swift deceleration with all the impact of contraction.

It sure felt like a recession, and the arbiter of business cycles, the National Bureau of Economic Research, plans to confirm on Monday its conclusion of four months ago, that a recession began in March 2001. "Industry after industry canceled Christmas parties and bonuses, cut flying and put equipment buys on hold," says Donald Straszheim, president of a forecasting firm in Westwood, Calif. "That's a recession."

As recently as late February, CEOs were still overwhelmingly guarded. In a Business Council survey, 75% said the economy was continuing to contract. Greenspan's new optimism notwithstanding, much of that gloom persists--partly in recognition that the typical recovery engines of housing and consumer spending don't have much left to give. That leads some to conclude the U.S. will suffer a double-dip recession,which means growth will be brief before the economy slips into at least one more quarter of declining output. Most recessions over the past 50 years have been double dips. But the one now ending has rewritten so many rules that it's crazy to peg a forecast to historic precedent.

More relevant are the attitudes of business owners hard hit by the downturn. "A year ago the production companies that do radio and TV for us were starving," says Joel Levinson, partner at the GFS/Levinson Group advertising firm in New York City. "You could make any deal you wanted. Now I can't even talk to them, they're so busy. Do I go out on a limb here? Not yet. On the other hand, we're starting to see some clients commit to new spending." The plants are flowering; it may just be a long wait for full bloom. Here's why:

--HOUSING A hero of the recession, this market never gave in. The lowest mortgage rates in 33 years kept homes affordable even as prices escalated. Some 7 million were bought last year, when new home figures topped the previous year. Home buying spurs other economic activity, from broker fees to furniture sales and renovations. In the typical recession, housing cracks early and takes the consumer and then business down with it. Housing tends to be first to recover, providing a growth engine. Not this time. There can be no rebound from an already healthy market. There is even risk that prices will slip as interest rates rise amid the recovery.

--CONSUMERS Through the recession, shoppers' confidence stayed strong and spending barely declined, thanks in part to low interest rates and wide discounting, including 0% car loans. Incredibly, a third of all outstanding mortgages were originated last year--testament to the tidal wave of home refinancings that, on

average, lowered homeowners' monthly payments by $100. Those who refinanced cashed out $100 billion of equity, says Frank Nothaft, chief economist at Freddie Mac. But, says Zurich Scudder's Allyn, the cash outs "are a little like eating your seed corn. It's not a long-term solution." Moreover, the refi boom is over, and many homeowners have larger mortgages and can no longer count on rapid appreciation to build equity. "I'm scratching my head over how we can accelerate much from here," says Allyn. Consumers are as tapped out as they've ever been, devoting on average 14% of personal income to debt service, including mortgage and consumer debt.

--TAX CUTS When President Bush proposed his tax rebate of up to $600 per couple, he billed it as an insurance policy against recession. Critics sniped that no government could possibly hope to time fiscal relief to offset economic stress. Call Bush lucky, but his rebates landed in the only quarter of negative GDP. They softened the downturn and helped pave the way for a buoyant Christmas quarter. Already, though, Bush's tax-cutting agenda is in deep trouble. Just hours after Greenspan hailed the recovery, the House passed a scaled-back economic package that amounts to a Republican retreat on broader tax cuts. The rebates were a one-time boost that won't be matched this year. In another policy negative, Bush's new steel tariffs--in effect, a tax hike--could spark higher prices and a trade war that would greatly damage global growth.

--INVENTORY MANAGEMENT Factories led the economy down, but recent reports show the sector growing for the first time in 18 months. New-economy thinkers once believed technology-driven controls could so precisely measure supplies that there would never again be a boom-bust cycle. Timely information and fast delivery would prevent managers from overstocking. The problem is that all the inventory information in the world can't help a company with a poor forecast. Tech firms built fiber, microprocessors and servers as if clients would never get enough, and the overbuilding led to a bust.

The good news, though, is that the new-fangled "supply chain management" tools helped dampen inventory buildup as advertised, especially in old-economy industries. The ratio of sales to inventory, a measure of how much stuff is sitting in the warehouse, topped out at 1.43 in September compared with 1.75 and 1.98 the past two recessions. The downside is that the replenishing period that the economy is enjoying may start with a bang but flatten because companies carry less inventory overall. "We can respond within a day or two," says Rodger Mullen, president of Schneider Logistics, which manages an auto-parts supply chain for GM. "Ten years ago the process took eight to 12 weeks." So he needed to carry more parts to be safe. Now he can play it safe with a lot less on the line, which is why we shouldn't expect too much too soon from this recovery.

>>>14 Oops, We Did It Again By ANTHONY SPAETH
Ousting Presidents by revolution has become a bad national habit

I was at the first people power revolution in 1986, and it was truly glorious. The Filipinos who massed on Epifanio de los Santos Ave, or EDSA, were genuinely brave, far more than the crowds gathered last week on the same highway. Ferdinand Marcos was a tough character, and he had a military machine behind him. Who would have thought a group of nuns could vanquish him?

It was a gentle, inspiring revolution—but it has developed into a bad Philippine habit. Four months after Marcos fled the Philippines, a former political ally declared himself head of state and, with some military backing, took over the swank Manila Hotel. On the second night of that comic, two-day revolt, I held a cocktail party for visiting family members. Afterward, we climbed into the car and toured the revolution. My family enjoyed roaming the fortified hotel with machine-gun toting soldiers and opportunistic, barong-clad politicians wearing heavy gold jewelry. In the next three years, a string of coup attempts nearly toppled the government of Corazon Aquino. This has been one of the unintended and unfortunate legacies of People Power: that a coup, popular or otherwise, is considered a legitimate—glorious even—way to transfer power.

Many Filipinos will be proud that last week's mass display of public indignation rid them of a President who was none-too-bright, unreliable after lunch and, if the testimony in Joseph Estrada's Senate trial is true, had the moral scruples of a two-bit Tondo hustler. But as with Woodstock II (or III), the sequel to 1986's People Power revolution is an echo with a hollow yet distinctly nasty tone. Hundreds of thousands of Filipinos cast presidential no-confidence votes with their feet—an act that doubled as an impromptu referendum on their constitution and all the institutions that comprise the Philippines' democracy. The system doesn't work! Hurrah!

There are several ways to explain last week's popular putsch. The first is that Filipinos are exceedingly impatient. Throughout the Senate trial, it was apparent that Estrada retained enough clout, and popular support, to avoid being removed from office. But instead of allowing him to prevail in these tainted hearings, after which the democratic system could digest the votes of the various Senators and eventually throw them out of office, Filipinos decided to take to the streets. But this argument is flawed: Filipinos in fact are among the most patient people in Asia. The original People Power revolution, for example, was the culmination of more than two years of anti-Marcos street rallies. The second interpretation of events is that the people were driven by moral indignation. The forces of righteousness, represented by Corazon Aquino and Catholic prelate Jaime Cardinal Sin, rallied the masses against a President up to his neck in booze, broads and below-the-counter business deals. This analysis has appeal in the predominantly Catholic Philippines, and Aquino and Sin knew it.

The more disturbing, albeit most plausible, theory of what transpired involves a conspiracy. As a macho former movie star, Estrada was held in contempt by Manila's business aristocracy. Mrs. Aquino is from landed gentry. Cardinal Sin has

an understandable aversion to a President who boasts of mistresses and illegitimate offspring. In the mid-'80s, the Elite and the Church banded together to help organize Manila's masses against Marcos, a moment of triumph they have never forgotten. The fact that a high percentage of Filipinos loved Estrada was exasperating. Even more inconvenient was his grip on the Senate, which seemed to ensure that he would stay in power. The solution: to bring hundreds of thousands of Filipinos onto Manila's streets. But the Philippine polity is 77 million-strong. Was this a revolution of the Filipino people—or of a few hundred thousand Filipinos prompted by a few hundred powerful individuals?

Aquino tore up the Philippine constitution when she ousted Marcos, claiming he had rewritten it too many times to suit his dictatorship. That was true, but her act planted a seed of constitutional disregard. On several occasions in the 1990s, Aquino and Sin called people onto the streets to defend the new constitution. The reason: Fidel Ramos, Aquino's successor, was allegedly trying to amend the charter to allow himself a second term. Aquino and Sin didn't like that idea, and they used a mini-People Power movement to stop it. Their rallying cry: the constitution has to be respected.

But when circumstances changed, so, apparently, did those values. On the crowded pavement of EDSA last week, Aquino and Ramos urged Filipinos to disregard the constitution—not because it was flawed, but because it wasn't getting rid of Estrada quickly enough. Vice President Gloria Macapagal Arroyo, another member of the Elite, referred to herself as Commander in Chief even before Estrada resigned—and then took the presidential oath, vowing to uphold the constitution.

Perhaps this represents confusion between democratic passions and the rule of law. More likely, though, People Power has become its own institution, and one that seems monopolized by a certain clique. I spent many days in crowds like the ones on EDSA last week. They were the nicest mobs I have ever been in—they gave mobs a good name. People Power has become an acceptable term for a troubling phenomenon: one that used to be known as mob rule.

>>>15 Blaming the Victim By HANNAH BLOCH Kohat

When a young, illiterate housewife named Zafran Bibi went to the police last year, pregnant and claiming a fellow villager had raped her while she was cutting grass, she didn't expect that she'd be the one to get punished. But last month, a judge in Pakistan's ultra-conservative Northwest Frontier province convicted her of adultery. "I hereby convict and sentence the accused Zafran Bibi to stoning to death," wrote Judge Anwar Ali Khan, "and that she be stoned to death at a public place."

If Pakistan is sometimes a bizarre blend of the modern and the archaic, nowhere is the archaic more powerful than in the way the country's legal system treats women who accuse men of rape. The problem lies in the so-called Hudood ordinances, a series of Islamic decrees that are enforced in tandem with the country's secular

legal system. Human rights activists say these laws blatantly discriminate against women. For a rapist to be convicted, for example, his crime has to be confirmed by four adult male Muslim eyewitnesses, or the rapist must confess. If the court rules that there was consent, the woman can be convicted of adultery. Sentences under the Hudood ordinances include amputation for theft, flogging for drinking alcohol and stoning for adultery. And, while the medieval punishments are never carried out, convicted adulterers often spend years in prison. At least half of the women in Pakistani prisons are either awaiting trial or have already been convicted under the Hudood laws.

The case of Zafran Bibi, 28, is unusually complicated. At least five lawyers have been involved in her defense, though none wants to take responsibility for what has happened to her. "It is a horrible story of manipulations by her family, lawyers, police and even by the court," says Afrasiab Khattak, chairperson of the Human Rights Commission of Pakistan, which estimates that a woman is raped every two hours in the country. Zafran Bibi's husband, Naimat Khan, claims his own father used Zafran Bibi to settle a score with another villager. Khan, who until last year was in jail himself on a murder rap, says his father forced Zafran Bibi to make the rape accusation against a man who had refused to marry one of the elder Khan's daughters. After her trial began, Zafran Bibi confessed that she had accused the wrong man, and said she had actually been raped by her brother-in-law.

"We are not aware of the law but I have complete trust in almighty Allah," says husband Khan, waiting with his two little boys, as temperatures reached 37°C, to visit his wife at the Kohat prison where she remains incarcerated along with the baby girl she gave birth to seven months ago. Khan says Zafran Bibi actually became pregnant after a conjugal visit to him in jail, an assertion that, if accepted by a court, could clear his wife of the adultery charge, though not the shame of the whole affair. "It will be justice for me if my wife is handed back to me," he says.

Pakistan's President Pervez Musharraf has emphasized his commitment to women's rights, but his government hasn't tried to modify or scrap the Hudood ordinances, which were put in place more than 20 years ago by a previous military dictator, Zia ul-Haq. Human rights activists say the laws, and their abuse, help promote the very extremism that Musharraf is trying to fight in Pakistan. When Musharraf first learned of Zafran Bibi's case during a meeting with foreign reporters in Islamabad earlier this month, he was startled. "Is that the law? Now? I don't even know," he said. But he promised that Zafran Bibi would not be stoned to death and, two weeks ago, a Peshawar court temporarily suspended the sentence. Human rights activists say this isn't enough. "As long as such laws are on the books, people will suffer," says Khattak.

Musharraf concedes that he has no plans to do away with the Hudood laws. Tampering with this code would enrage Pakistani religious conservatives, with whom Musharraf is engaged in a delicate dance of challenge and accommodation. "He cannot change it," says Malik Hamid Afridi, a former prosecutor in Kohat.

"There is no force other than God. There is no change to the Koran. There are no amendments." But near the Kohat court, a prosecutor who reluctantly helped to convict Zafran Bibi disagrees. "Of course women suffer more because of our customs, because there is no freedom for women," he says. "Actually, it is not the fault of the judge. It is the fault of the law. The law should be amended."

>>>16 Going Door to Door By Mark Thompson; Matt Rees; Aharon Klein Monday, Sep. 16, 2002

Corporal Abraham Hernandez remembers his death as "humbling." It happened during a Pentagon war game last month at an abandoned Air Force base in the California high desert. Hernandez was hit while he and his Marine platoon were trying to secure a landing zone for a helicopter that was bringing in troops to help take the "city." The enemy, masked by surrounding buildings and sandbag bunkers, fired on the group. The laser-activated beeper on Hernandez's belt went off, signaling that he had been killed in action; 22 of his 27 fellow platoon members suffered the same fate. All in all, it was a rough day for the Marines. "It was very difficult to find a place to hide," says Hernandez. "If this had been real life, this would have been as far as I'd have gotten."

The mock battle, conducted amid 1,000 buildings in the biggest urban-war exercise the U.S. has ever held, confirmed what the Pentagon already knew: America may have the world's most fearsome military, but it is ill equipped to wage war in cities. The nation's recent triumphs--in Afghanistan, Kosovo, the Persian Gulf--were mostly air wars, carried out by American pilots far above the tangle of gritty city streets. On the ground, the Americans face enemies with the home-field advantage and lose their edge in state-of-the-art weaponry. In last month's exercises, for example, the Marines were unpleasantly surprised to learn that their high-tech, heat-seeking sights don't work through glass, meaning they can't peer through windows and into rooms where the enemy lurks. "There is no technological magic wand you can wave over these problems to make them go away," says Marine Major Dan Sullivan, who is leading the corps's efforts to improve its ability to conduct urban warfare.

That's why if the U.S. takes on Iraq, America's military planners will do whatever they can to avoid fighting in the streets. In their most optimistic scenarios, the war will begin once again in the skies, with satellite-guided bombs that are far "smarter" and more plentiful than the laser-guided bombs used in 1991 during the first war with Iraq. Washington would initially try to take out air-defense and command-and-control sites. Next to go would be Saddam's palaces and other symbols of his power, such as television studios and transmitting towers used to fill Iraqi airwaves with his words and image. Other early targets would include the mobile missile launchers in western Iraq capable of lobbing Scud missiles--perhaps laden with biological or chemical weapons--toward Israel. During the previous war, the U.S. failed to knock out a single Scud launcher. This time, with improvements in satellites, drones and intelligence, it should fare better.

After the aerial pounding, the U.S. (with whatever allies it could muster) would shift to a ground war, probably launched from Kuwait and other gulf states from the south and from Turkey, as well as three bases in the U.S.-friendly Kurdish part of Iraq from the north. This phase would probably begin with U.S. forces' seizing the cities of Basra in the south and Mosul in the north. President Bush has not decided what size force should invade Iraq. The military prefers to send in about 250,000 troops, but some Administration officials think only about 80,000 would be needed.

The U.S. has plans for what not to attack: Washington wants to leave enough of the key military-communications network intact so that the Iraqi military wouldn't lose contact with the capital and follow its standing orders under such circumstances to launch biological and chemical weapons. The U.S. also would spare, as far as possible, the 300,000-strong regular Iraqi army in the hope that it would end up siding with American forces and forming the foundation for a post-Saddam military. Once U.S. forces captured major cities in northern and southern Iraq, ground troops would advance to Baghdad for the expected end-game. And there, if Washington's war planners had their way, Saddam's regime would collapse, and victory would come swiftly. If Saddam fled to, say, his hometown of Tikrit, 100 miles north, his army might well give up the fight. The optimists' final scenario: allied caravans rolling through Baghdad, greeted by thousands of liberated, cheering Iraqis (an updated version of Paris' liberation after D-day).

But warriors do not always get to choose their battles. And while the U.S. has managed to avoid a protracted urban skirmish during the past decade, Saddam wants to provoke just such a fight. If the Bush Administration's goal is Saddam's ouster--and if Iraq's soldiers dig in for the battle--the U.S. may be unable to avoid an armed clash in Baghdad.

This is American planners' worst fear. City combat blunts the U.S. military advantages of speed and knowledge. What the Pentagon calls "urban canyons" offers hideouts for foes and civilians as well as sniper nests and underground lairs from which combatants can strike. Buildings create vast "dead spaces" for an enemy to exploit out of the sight of those trying to kill Saddam. They hinder communication and hamper anything flying low, like helicopters, spy drones and warplanes assisting forces on the ground. In cities, mobility and maneuver--two tenets of U.S. ground-combat strategy--hit a dead end.

Commanders in urban environments can't survey the entire battlefield and instead see only bits and pieces; it's like playing chess while viewing only four squares on the board. This battlefield compression means that low-ranking corporals and sergeants--not colonels and captains--must often make life-and-death decisions. These choices come fast and furious when you're fighting downtown: 90% of the targets are less than 50 yards away and seen for only seconds. Killing innocent civilians--or your own men--is a risk that goes with the terrain. A quarter of all

explosive rounds turn into duds when they glance off walls and roofs. Helicopters can get tangled in overhead wires and crash. And America's most promising gizmos--robots that can crawl from building to building, miniature drones that can spy around corners, acoustic sensors capable of taking out snipers--are still unproven. The hottest "new" technology at last month's war game: John Deere two-seat Gator tractors, which can zip through narrow passageways bringing ammo and supplies to the front and returning with casualties.

Undeterred, Pentagon planners are poring over maps and plotting potential invasion routes along Baghdad's streets and even through its sewers. The sprawling capital is marked by broad boulevards, labyrinthine alleys and 5 million people. Missile batteries surround the city, along with most of the 15,000-man elite Special Republican Guard. "If they come, we are ready," Saddam told a British newspaper last month, reportedly from a bunker beneath Baghdad. "We will fight them on the streets, from the rooftops, from house to house."

Saddam's rhetoric is probably overblown. Iraqi soldiers may well surrender as readily as they did in 1991 after 38 days of heavy bombing. But the Iraqi leader, intelligence officials believe, is shrewdly calculating that the U.S. military brass--and the American public--cannot stomach the prospect of sizable losses in such an exchange. Think back to the debacle in Mogadishu, Somalia, in 1993 (chronicled in the movie Black Hawk Down), when 18 U.S. troops were killed, prompting a quick American withdrawal from that African nation. In Iraq there is the added risk that Saddam will use biological or chemical weapons against American troops. U.S. military leaders say 30% of street-fighting combatants tend to end up as casualties. The Pentagon wants to drive that figure down to 10%.

Any invasion of Baghdad would most likely start under cover of darkness. U.S. troops, brought in by helicopters, would seek a secure foothold from which to expand their presence in the city. The biggest advantage U.S. troops would have in downtown Baghdad would be their night-vision devices, giving them a greenish but clear-eyed view of a nighttime world. Once inside Baghdad, the Americans would start clearing buildings one by one, from the top floor down. They would probably use the technique that Israeli forces employed during fighting earlier this year in the West Bank's Balata refugee camp. Once inside a building, Israeli forces moved to the next one by cutting holes in the adjoining walls. That kept the Israeli troops largely inside and safe from Palestinian sniper fire. The U.S. has a wide range of wall-breaching weapons, ranging from M-1 tanks to exploding tape to crowbars. Traveling through walls, though time-consuming, also helps troops elude the booby traps that are often rigged to doors and windows.

There is also an entirely different tactic the U.S. could adopt in taking on Baghdad. Robert Scales, a retired major general who used to run the U.S. Army War College, says the Americans should avoid door-to-door battles and instead cordon off the capital with a loose chain of tanks and armored vehicles. This porous ring would allow civilians to flee the city center, where Saddam's soldiers--and perhaps the

Iraqi leader himself--would be holed up, anxiously waiting for a "mother of all battles" that would never materialize. "You can be patient, with a minimum loss of life," says Scales, "or you can rush in and kill a lot of people on both sides."

Baghdad would seem particularly vulnerable to such a wait-it-out strategy. It is not even close to being self-sufficient. If U.S. troops cut off the supply of water, food, electricity and communications, civilians would no doubt quickly begin fleeing to the safety of refugee camps set up outside the cordon. The U.S. military could wait for the white flag of surrender to flutter outside the range of most of Saddam's weapons. Armed with intelligence gleaned from fleeing refugees, the Americans could attack key targets inside the city with long-range weapons. Such a siege could help nurture one prized U.S. goal: Saddam's falling at the hands of his own people. "Baghdad is one of those classic cities that happen to contain all the kindling necessary to spark a revolt," says Scales. "You'd have the ruling elite and the army cheek by jowl with the people, who despise both the elite and the army."

BUSINESS

>>>17 This Time It's Different By ADAM COHEN; Bernard Baumohl, Carole Buia and Eric Roston Monday, Jan. 08, 2001

The latest poster child for dotcom misery, in case you're still keeping score at home, is eToys. Since the Grinch stole its Christmas season, it has been hunting for a buyer or a merger partner--anything to avoid bankruptcy. Employees are bracing for layoffs as the site unloads toys like Sing 'N Strum Barneys and Talking Wimzies for as much as 75% off. And the stock? Down from a 52-week high of $31.50 to about 20[cents]. Some folks have been taking perverse pleasure in seeing the dotcoms crash and burn. "Is anyone else morbidly watching this stock like you stare at a car wreck when driving by?" a posting on Yahoo's finance message board asked last week. But watching economic distress has suddenly become a lot less fun.

That's because the distress is no longer confined to young dotcommers who got rich fast and lorded it over the rest of us. And it's no longer confined to the stock market. The economic uprising that rocked eToys, Priceline.com Pets.com and all the other www.s has now spread to blue-chip tech companies and Old Economy stalwarts. Now it's Microsoft warning, for the first time in more than a decade, that quarterly earnings will lag behind estimates. It's Union Pacific railroad announcing that 2,000 employees will be involuntarily disembarking. It's steelmaker LTV filing for bankruptcy for the second time in 14 years. It's Montgomery Ward announcing that it is ending 128 years of American retailing history by closing its 250 stores and pink-slipping its 37,000 employees.

If all the news were this grim, at least we'd know where we stand: just haul out the dreaded R word. But our current economic plight isn't (at least yet) as simple as the two quarters of negative economic growth that define a recession. Instead, the

indicators are like a glitchy traffic light, flashing red and green and yellow at the same time. The NASDAQ has plunged a portfolio-punishing 50% from its highs in March. But the Labor Department announced last week that new claims for state unemployment insurance were down sharply last month. The Conference Board's Consumer Confidence Index fell for the third consecutive month, to its lowest level in two years. But the National Association of Realtors reported on the same day that sales of existing homes rose 4.4%, to the highest level since August. The vaunted New Economy may not have suspended the business cycle, as some of its cheerleaders predicted, but it is definitely giving us a new kind of slowdown.

In the latest quarter for which results are in--the one that ended in September--the economy expanded at a 2.2% annual rate, a steep drop from the 5.2% annualized rate of the first half of 2000. Economists at J.P. Morgan Chase predicted last week that growth in the first half of next year would drop to less than 1%. And a few experts even predicted recession.

There are clearly some old-style brakes at work, including rising energy prices, interest rates and debt burdens, all of which take money out of consumers' pockets. But we're also seeing several new wrinkles, like the way the beaten-up NASDAQ appears to be pulling the economy down rather than the other way around. However shallow or deep this downturn proves to be, it is unfolding according to a fresh set of New Economy rules. Among them:

NO. 1: WHAT GOES UP FAST CAN COME DOWN EVEN FASTER

Financial pundits liked to refer to the recent expansion as the Goldilocks economy: everything from jobs to inflation was just right. But they could just as easily have named it for Lake Wobegon. For a while, investors acted as if every stock was above average. And companies that were in favor were wildly in favor. Just how giddy was it? Remember the name of 1999's buzzy, fast-selling financial Bible? Dow 36,000.

The risk in New Economy investors' enthusiasm is that at the height of the market, every possible piece of good news is factored in. Then when companies whose stock sells at sky-high multiples of their earnings announce even minor setbacks, their stock gets pummeled. Last month networking powerhouse Cisco Systems announced it was setting aside $275 million in a rainy-day fund to cover missed payments from failed customers. Wall Street's reaction was a punishing 12% drop.

In Old Economy days, the stock market was a source of stability. Wealthy old men would read the listings in the morning paper and learn that their shares had swung up 1/4 or down 1/8. Today we have the Internet and the "CNBC effect." People see a trend as it's happening and call or click their broker to chase the momentum. High volatility on the upside is fun; it's nice to see that a stock you bought on Tuesday is worth 30% more on Thursday. But on the downside, it can turn a minor downtick into a major bloodbath. And that's one reason why for the NASDAQ the year 2000 was the worst in its 29-year history.

NO. 2: WALL STREET AND MAIN STREET NOW INTERSECT

The stock market has long acted to discount predictions about the future of the economy--and it still performs that role. But today the market's fortunes also influence the performance of the economy to a greater extent than ever. It now helps determine how many toys and cars America is willing to buy.

That's because an unprecedented 49% of American households today own stocks, either directly or through mutual funds and 401(k) plans, compared with just 4% in 1952. When the market rises, Americans feel wealthy. In 1999, when the Dow gained 25% and the NASDAQ soared 85%, household assets swelled by $5.5 trillion. This "wealth effect" translates into increased spending. The rule of thumb is that for every additional dollar in their portfolios, Americans spend another 3[cents] to 5[cents]. That discretionary income is critical: consumer spending constitutes almost two-thirds of the nation's economic activity.

The wealth effect has been a strength of the New Economy, but now we're seeing the flip side. When the stock market falls, a negative wealth effect kicks in. The latest bad numbers on consumer confidence come at a time when unemployment is at a hard-to-notice 4%. What's making people skittish, it seems, is watching their portfolios nosedive. Since the Dow peaked in January and the NASDAQ in March, more than $2.5 trillion in wealth has disappeared. And just as investors buy more goods and services when the market is up, they are buying fewer now. The ratio of business inventories to sales--a measure of how long goods remain unsold--is now at 1.35 months, the highest since May 1999. And that's despite great advances in recent years in inventory-management software. "The key at the moment is the confidence factor," says Alice Rivlin, who served as Federal Reserve vice chairman from 1996 to 1999. "If people lose confidence, we could have a down period." (That's Fed-speak for a recession.)

NO. 3: SLOWER TIMES DON'T ALWAYS MEAN UNEMPLOYMENT LINES

As the new economy has cooled, there has been a steady drumbeat of layoff announcements. More than 36,000 dotcom employees were cut in the second half of last year, including some 10,000 last month. But the firings went well beyond dotcomland. There were more than 480,000 layoffs through November. General Motors is laying off 15,000 workers with the closing of Oldsmobile. Whirlpool is trimming 6,300 workers; Aetna is letting go 5,000.

The remarkable thing is that unemployment has so far stayed strikingly low. While the NASDAQ plunged and growth trailed off last year, the unemployment rate fluctuated between 3.9% and 4.1%. That pales compared with the unemployment rates during Old Economy dark years like 1992 (7.5%) and 1982 (9.7%). And it gives the lie to an Old Economy article of faith--that there was a "natural rate of unemployment" below which the economy could not operate without spurring

inflation. The supposed natural rate: just under 6%.

How to account for the strong jobs picture? In part it's because of the tight labor market of the New Economy. Employers fought hard during the expansion to recruit and retain skilled workers. They are not looking to slash their payrolls unless they think a major recession is coming--because they know how much time and effort went in to building their work forces.

There is also more worker "churning" going on. Employees are losing their jobs for economic reasons, but they're generally finding new work quickly. The latest rite of the Internet world is the "pink-slip party." Dotcommers go to commiserate and often come away with new job offers. Job churning makes the economy more efficient: it directs workers to the positions where they are most useful. But it comes at some psychic cost to employees and weakens the social fabric. Workers who shift from job to job do not have the security, or form the same workplace bonds, that corporate long-timers did in the Old Economy.

NO. 4: IT'S A SMALL WORLD AFTER ALL--MAYBE TOO SMALL

Free-trade advocates say that globalization is an important reason for the recent economic expansion. As trade barriers have fallen, goods have moved around the world more efficiently and, they say, both producers and consumers have benefited. But globalization also brings risks. When the world was bigger and countries were less interdependent, there were more checks against worldwide recession.

In the Old Economy, different parts of the world experienced different business cycles. That's why financial planners advised putting 10% to 20% of assets in foreign stocks: the diversification would reduce overall risk. But in the New Economy, the world's stock markets are increasingly moving in sync. A recent Michigan State University study found that the average international stock fund now has a 66% correlation to the U.S. Standard & Poor's 500 index. Large companies are becoming increasingly similar wherever they are located. Investing in Finnish cell-phone maker Nokia these days is more like investing in American cell-phone maker Motorola than it is like betting on the economic power of Finland. With improved communication and with computers managing inventory levels worldwide, companies increasingly follow the same business cycles.

Until recently, the U.S. could act as the economic engine for the world, intervening to minimize the damage in the Asian financial crises of 1997 and the Russian debt shock of 1998. But as faster communication brings the world closer together, "it raises the risk of a globalized synchronized recession," says Morgan Stanley Dean Whitter chief global economist Stephen Roach. "We're already seeing that unfold as we speak."

NO. 5: SOMETIMES THERE'S JUST NOTHING LEFT TO BUY

There may be another explanation for this year's slump in retailing: consumer fatigue. The big guessing game this fall was about what this holiday season's gotta-have item would be. The answer: there wasn't one. It wasn't that inventors and manufacturers and marketers and retailers didn't give it their best shot. It's just that in the end, most Americans felt they could live without the latest personal data assistant or robotic dog.

The fact is, the New Economy has done a brilliant job over the past decade of putting high-tech gewgaws on the market and into our homes. But maybe it's been a little too brilliant. What's left to buy when you already have your SUV, your DVD and your MP3? The tech industry is learning that one of its biggest challenges is building in enough obsolescence. A key reason for the current slump in computer sales is that box makers haven't convinced consumers that the new models do much that their current PCs can't. And as Microsoft labors on its new operating system, Whistler, it's struggling to build in enough must-have features to make people feel they need to ditch Windows.

Karl Marx theorized that capitalism was condemned to repeated depressions because of "cycles of overproduction." Marx may have got some of the details wrong: he thought the workers would be unable to buy goods because their wages would be continually pushed toward subsistence levels. Now it's more likely that consumers are using their well-above-subsistence wages to pay for noncommodities instead, such as travel, restaurant meals and personal trainers. But if Marx had hit the shopping malls last week and seen the heavy discounting--or looked on the Internet and seen the emergence of cut-rate sites like Amazon.com's new outlet store--he would no doubt have felt vindicated.

NO. 6: THE BOOM'S GONE ON SO LONG, WE'VE FORGOTTEN WHAT A RECESSION LOOKS LIKE

The U.S. hasn't had a recession since 1990-91 when oil prices spiked after Saddam Hussein's invasion of Kuwait. And that one was among the shortest and shallowest slumps of the postwar period. We haven't had a major recession since the early 1980s. The upshot is that a whole generation of bankers and stockbrokers has come of age never having seen a bad loan or a bear market.

The stock market has had some setbacks, notably in 1987, 1994 and 1998. But in every case it managed to recover so rapidly and so convincingly that investors were left with the belief--still prevalent until a few months ago--that any market drop was an invitation to "buy on the dip." With the market apparently headed straight up, traditional advice about diversification among stock market sectors and other investment classes, such as bonds and cash, came to be seen as quaint and obsolete. Meanwhile, lenders loosened the spigots and let the money flow freely.

And now we're paying the price. Investors who piled into hot sectors like technology without diversifying have been hit hardest in the recent market slide. And profligate

lenders are getting hit in their bottom lines. Four times as many companies saw their credit ratings downgraded last year as saw them upgraded--the worst ratio since the recession year of 1990.

There's one new economy rule that is turning out not to be true: the much hyped contention that the tech revolution has permanently repealed the business cycle. You've heard the argument. New technology would raise productivity. Higher productivity would raise workers' income without fueling inflation. Well-paid workers would buy more, leading to more production. It was going to be a virtuous cycle that spun only upward. Well, it just hasn't worked that way. "The biggest surprise," says economist Roach, "is that the business cycle is back--New Economy or not."

But that doesn't mean today's slowdown will turn into tomorrow's recession. In fact, many economists insist it won't. And they credit many of the virtues of the New Economy. It was, after all, enhanced productivity brought on by technological innovation that brought us the economic boom that is now slowing. And increased productivity may help the economy fend off some looming threats. Spikes in energy prices, for example, helped kick the economy into its last three recessions. Oil prices are soaring once again, but the U.S. economy is now able to produce twice as much output per unit of energy as it did 30 years ago, and the convergence of several digital technologies is allowing oil and gas companies to tap resources they couldn't even locate a few years ago.

The chipmakers and fiber networkers may have overproduced themselves into a slump in recent months, but the technologies they're bringing to market will help all sorts of Old Economy businesses, from oil to steel to automaking, operate more efficiently and profitably. That's not to say this New Economy is immune to downturns. We're seeing right now that it isn't. But it just may be better able than economies past to pull off a graceful landing, with growth that is less spectacular than we've seen in recent years but more sustainable.

>>>18 Eight Remedies By Daniel Kadlec; Jyoti Thottam Monday, Jun. 17, 2002

Is corporate America falling apart? Each day brings sordid details of dirty dealings at the highest levels of what were once our most respected companies. The sleaze at Enron and Arthur Andersen shocked us. Now it's Tyco's turn, and it won't be the last.

Corporate shenanigans have ended badly on many fronts: bankruptcies, lawsuits and vaporized 401(k) plans. They have also created a general disillusionment with the stock market, which continues to slide even in the face of mounting evidence that the U.S. economy is recovering. That just doesn't happen. Since 1927, when this sort of record was first kept, not once has the market been down six months after the end of a recession. Yet the S&P 500 is down 10% this year--just shy of six months from when the economy first started to perk up.

The deepening erosion of investor trust moved the New York Stock Exchange (N.Y.S.E.) last week to propose rules requiring that a majority of a company's directors have no ties to the company and that shareholders approve all stock-option plans. Henry Paulson, the normally low-profile chairman and CEO of Wall Street giant Goldman Sachs (Tyco's financial adviser), was one of many business leaders ringing the bell for reform. "American business has never been under such scrutiny. To be blunt, much of it is deserved," Paulson said in a speech calling for curbs on when a CEO can profit by selling company stock, among other things.

Even Harvey Pitt, the chairman of the Securities and Exchange Commission, who has been criticized for inadequate policing of the markets, has called for a "massive restructuring of the regulatory regime." Here is a blueprint for how to go about it:

--GET BOARD MEMBERS OFF THEIR BACKSIDES For a company's board of directors not to know or care that its CEO uses company money to buy expensive art and personal digs on Fifth Avenue--as is allegedly the case with Dennis Kozlowski at Tyco, where the board is stacked with insiders--is an egregious breakdown. "It amazes me that you can take 10 or 12 intelligent people and put them in a boardroom, and their IQ drops by half," says shareholder activist Nell Minow.

The N.Y.S.E. proposals in this area are sound: more than half of a board should be independent of management, and those directors should make up all of the audit, nominating and compensation committees. But the proposals don't go far enough. Board members should buy a large chunk of a company's stock as the price of entry, and be paid only in shares or options with long vesting periods. Nothing promotes rigorous oversight like an economic stake. There needs to be a clear definition of "independent" director to exclude those who even indirectly receive any benefit from the company beyond their director's fee.

Board members should meet without management present and should have an open line to operations managers to allow for independent analysis and frank discussion. Directors should not serve more than 10 to 15 years. And the CEO should not serve as chairman. An exemplary board is the one at retailer Target, where 10 of 11 directors have no other ties to the company and directors may serve only 15 years or until age 68. CEO Robert Ulrich allows executives to correspond directly with the board, without going through him.

--DON'T LET FAT CONSULTING FEES CORRUPT CORPORATE AUDITORS The accounting firm Arthur Andersen earned $54 million a year in fees from Enron, making about as much for auditing the books as it did for consulting work. Andersen basically blessed its own advice. And guess what might have happened to those consulting fees if Andersen had stood up to Enron over questionable bookkeeping? The auditing and consulting functions should be performed by

separate firms, and auditors should be replaced every three years. The U.S. should also move to "principles based" accounting standards like those in Europe. America's "rules based" approach, known as GAAP (generally accepted accounting practices), has proved so ineffective that China recently rescinded plans to move in that direction. A standard based on the spirit of the rules, not the rules themselves, is already practiced at a few U.S. firms, including Pfizer. "Around here, if you can see the line, you've gone too far," says Pfizer chief financial officer David Shedlarz.

--REIN IN CEO PAY In 1980 the average CEO made 40 times the pay of the average factory worker; by 2000 the ratio had climbed to 531 to 1. This is silly. Talented executives are not that rare. The problem is that too many boards demand someone who has already been a CEO somewhere else, to avoid the criticism that would follow if a rookie CEO didn't work out. So we get a transient band of failed leaders like Michael Armstrong at AT&T and Joseph Nacchio, most recently at Qwest. Whenever possible, companies should promote from within, as at IBM and GE. One immediate improvement would be to index the price at which a CEO can exercise stock options so the options have value only when the stock outperforms a peer group. And as Paulson said, CEOs should be required to disgorge any profit from stock sales in the 12 months before a bankruptcy filing.

--MAKE COMPANIES ACCOUNT FOR EXPENSES THEY INCUR WHEN THEY GIVE STOCK OPTIONS TO EMPLOYEES Currently, stock options do not count as a corporate expense, even though by granting them companies dilute the holdings of existing shareholders--a real cost. Experts such as Warren Buffett and Alan Greenspan have argued that all publicly traded companies should count stock options as an expense. Yet today among big companies only Boeing and Winn-Dixie do so. Why? The current system is so lucrative for company executives, who reap the lion's share of stock options, that few will make the change unless forced. This was not a big deal a few years ago. But this "free money" led to gigantic options grants in the '90s--and now, by some estimates, the cost to shareholders is double what it was just two years ago.

--STOP COMPANIES FROM MAKING LOANS TO EXECUTIVES A company is not a private bank. Kozlowski appears to have borrowed millions of dollars. WorldCom CEO Bernie Ebbers borrowed hundreds of millions. The Rigases, controlling family members at cable giant Adelphia, borrowed billions. In each case, shareholders have been left holding the bag. So let's change the rules. Executives get paid well; let them go to the bank and put their home in hock like the rest of us. And end the practice by which executives at Enron and Tyco have sold stock back to the company, rather than on the open market, to avoid legally disclosing the sale for as long as a year--while exhorting others to buy.

--STOP TAXING FOREIGN INCOME U.S. firms are lining up to reincorporate in Bermuda for one reason: as offshore companies, they will avoid tax on income earned outside the U.S. It is time to recognize that business has gone global. Companies should pay tax only where they earn money. Congress is debating

restrictions on offshore relocations. Better to eliminate the tax on foreign income; then such companies as toolmaker Stanley Works will stay in the U.S., and more foreign firms will relocate here. Company tax savings will flow to the bottom line, leading to a higher price for shares, which when sold trigger capital-gains tax and offset lost government revenue.

--MAKE STOCK ANALYSTS WORK FOR INVESTORS New York Attorney General Eliot Spitzer got a lot of political mileage out of a settlement with no teeth. He forced Merrill Lynch to pay $100 million after he showed that its analysts touted stocks to win investment-banking clients, even though the analysts regarded the stocks as poor investments. Under terms of the deal, however, analysts still work with bankers and indirectly share some of their bonus money. Disclosure of conflicts of interest has improved, as has analysts' willingness to speak in language we all understand (e.g., "sell"). But to really fix the problem, analysts should not be allowed to work with their firms' bankers and should be compensated according to how well their advice works out.

--TAKE RESPONSIBILITY Many people also contributed heavily to their own misfortune--by blindly jumping into the latest tech stock or failing to diversify. If you don't have time to research investments, stick with diversified stock and bond mutual funds. "If you ever again buy a stock like Adelphia, where five of nine board members were family," says Minow, "you deserve what you get."

>>>19 Don't Panic, Spend! By PHILIP BOWRING
Asia's response to the U.S. downturn should be to shop till it drops

Instead of being frozen with fear at the prospect of a U.S. recession, East Asia should start working now to offset its impact. An American recession is not inevitable, though a slowdown is needed. A corrective recession for the U.S. now would reduce the prospect of an even bigger one later, thereby avoiding the Japanese experience of the past decade and that of Asia's crisis-hit countries since 1997. The world needs to address trade and capital imbalances now, before they get worse. U.S. trade deficits and Asian and European surpluses must be reduced before they reach levels that induce panicked capital flight as happened in Asia in 1997. There has been nothing wrong with the record-breaking U.S. expansion, but there has been plenty wrong with the way it has recently been financed. The most visible sign of imbalance is America's current account deficit, which is likely to total $450 billion, or 4.5% of GDP, in 2000. This figure approaches Asian levels just before the 1997 crisis. Popular wisdom holds that capital has been surging into the U.S. to buy American technology and U.S. equities. Actually, much of the flow results from American firms and financial institutions borrowing abroad.

More worrying than the deficit has been the buildup to double-digit annual growth levels of corporate, consumer and mortgage debt (which has dwarfed a modest decline in government debt). The U.S. debt explosion is a far deeper problem than the collapse of the technology stock bubble. Even before the recent economic

downturn, the debt expansion had caused corporate bond yields to rise steeply, even as those on Treasury bonds were falling—a sure sign of fear. Interest-rate cuts from Alan Greenspan will make little difference if lenders smell trouble.

East Asian nations must realize that, if there is a sharp U.S. downturn, their salvation lies in their own hands. They—and to a lesser degree the Europeans—have essentially been sponsoring the U.S. consumer-spending and debt booms with excess savings. They are the ones with the persistent current-account surpluses that now dwarf the deficits some of them ran in the pre-crisis years. Over the past three years Malaysia's surplus has averaged a monstrous 12% of GDP; those of South Korea and Thailand are about 8%. China and even Indonesia and the Philippines have also been registering large surpluses.

Developing countries ought to be importing capital because they spend money more effectively in raising their own living standards. To be sure, before the crisis they imported too much capital, and now they need to consume. The same is true for the more mature economies that have long maintained surpluses—Japan, Taiwan, Hong Kong, Singapore. They tend to view excess savings as a sign of merit even if the savings are being invested poorly, by supporting the profligacy of others.

Can East Asia now stimulate domestic demand to offset the U.S. slowdown? Skeptics point to Japan, where massive government spending and near-zero interest rates have done no more than prevent another recession. But Japan, with its static population, aging workforce and surfeit of consumer durables, is the Asian exception. The rest of the region is crying out for more goods and services. China's efforts at stimulation—infrastructure spending, wage hikes and tax disincentives for savers—are paying off. Consumption is now rising faster than exports. The trade surplus is shrinking. Hurrah! Others should copy China.

For the smaller countries in Asia, a weaker American economy will soon mean lower U.S. interest rates and a weaker dollar. Splendid. Asian countries can cut interest rates too, without worrying that their currencies will go into a tailspin. Existing dollar debts will become cheaper to service. Those economies still pegged to the greenback, like Hong Kong, badly need weaker currencies.

The region will get a lift from the decline of oil prices from levels that slowed recovery in 2000. This should give a boost to consumers and perhaps even convince central bankers that, for now, inflation isn't a worry. In fact, the region needs a bit of inflation to get out of the trap of higher real interest rates and the debt overhang. There is nothing like an expectation of inflation to spur lower savings and more consumption. Many governments are sitting around waiting for an increase in investment to take over from exports. But the first requirement is higher consumption, without which there is no need to invest more.

In 1997 and 1998, the U.S. response to the Asian and Russian financial crises was to provide monetary stimulation for its own economy, and for those selling to it. The

world benefited. Now it is the turn of Asian governments to do themselves and the world a favor by cutting interest rates, encouraging wage increases and refraining from ill-conceived "fiscal responsibility."

>>>20 Inside A Layoff By Adam Cohen Sunday, Apr. 08, 2001

The e-mail looked harmless enough. Be at the Renaissance Austin Hotel, 20 minutes from the office, in about an hour. Just another stupid meeting, no doubt. But by the time Dell IT specialist Chuck Peterson walked into a room filled with 75 of his co-workers and a few managers he had never seen before, he knew what was up. "None of them would look at us," he says. "They had their backs to us, or they were looking at their feet."

The bosses stuck to their script. The economy is bad. We can't afford to keep you. So we're not. Hand in your badges on the way out. There were no individual explanations for why these workers--out of a work force of 40,000--had been picked. The members of the firing squad never even introduced themselves. It was over in eight minutes.

Peterson, 40, is one of 1,700 full-time Dell workers who lost their jobs since February, in an economy that has been shedding 100,000 workers a month since the beginning of the year. Last week Winstar Communications, once a wireless wonder, hung up on 2,000 employees--44% of its staff. TiVo, Sycamore Networks and Extreme Networks added more bodies to the tech sector's growing pile. AOL Time Warner, parent of TIME, has announced 2,400 job cuts in response to the slowing economy and pressure from Wall Street. By week's end unemployment had hit 4.3%, a slight but ominous rise. Worse, job creation was down, more evidence that recession is at hand.

Dell's cuts illustrate both the abruptness of the downturn and the almost chaotic nature of today's layoffs, even for companies trying to do right. Dell isn't a Rust Belt dinosaur or a business-plan-and-a-prayer dotcom. Its workers helped write one of the great business success stories of modern times. Dell was founded in 1984 to sell computers without a middleman (Direct from Dell, the ads said). Its hyperefficient model helped it pass Compaq to become North America's largest PC manufacturer. Nor is Dell's good news all behind it. Just last Thursday, Dell almost single-handedly ran the Dow up 400 points when it confirmed that first-quarter profit estimates were on track. Last year the company earned $2.3 billion on sales of $32 billion.

Many of the fired workers and their supporters are attacking the cuts as unnecessary and poorly handled--and antithetical to the company Michael Dell created. The Dell culture is fiercely meritocratic, with workers expected to do whatever it takes to make the company succeed. The reward: rich option packages that turned many thirtyish tech workers into millionaires or, as Austin calls them, Dellionaires.

Dell says it did not undertake the cuts lightly. "It's one of the hardest, most gut-wrenching decisions you can make as a leader," Michael Dell told TIME. The layoffs are, he admits, "an admission that we screwed up" by overhiring. If there's a lesson, he says, it's that "when things heat up quite a bit, we should take some pause."

The company insists it tried to handle the layoffs as humanely as possible. Dell gave terminated workers their yearly bonuses early, and it handed out severance packages of two months' salary and two months of insurance coverage. Dell is also paying for job counseling.

Not every employee got the bad news as impersonally as Peterson. When senior recruiter Kathleen Sullivan, 47, was let go, her boss led her from her cubicle into a "team room" where they could have some privacy. He apologized profusely and said he hoped they would stay in touch. "Then a tear started rolling down his cheek," she says. "I'm getting laid off, and I'm asking him if he needed a Kleenex."

But the pain was mostly hers. Sullivan had initially resisted going to Dell. But when it recruited her, she was enticed by the high pay, the 401(k), the stock options and the heady work environment. During the boom, she says, she once hired 600 people in five weeks. Dell hired 16,000 workers the past two years alone.

With money tight, there was pressure to cut back on departments that didn't generate revenue--administration, marketing and recruiting. Dell was also pushing to have in-house managers do more of their own job interviewing, leaving less work for Sullivan. Echoing Michael Dell, Sullivan blames the company for not doing a better job of anticipating work-force needs. "This is the first time I heard about reducing numbers," she says. "The company was growing too fast, and we didn't take a long view and look at what we had."

Gary Davidson's firing was mercifully brief. Davidson, 39, a network administrator in a factory that makes laptops, got to work at 7:30 a.m., and his boss called him into the human-resources building. He was told that he was history and was asked to hand over his badge, cell phone and corporate cards. "They gave me the option of coming back later to clean out my desk," he says. "By 7:45 a.m., I was out."

The news didn't come as a complete shock. When Davidson started out, money ran freely. "The mood was, 'Gosh, Dell has oodles of loot,'" he says. "'Let's just spend, spend, spend.'" But last spring, when the dotcom bubble burst, everything changed. It was harder to get anything more than a bare-bones computer to work on, and training was halted for several months. "You could practically hear the screws being tightened," says Davidson.

By early this year, rumors were rampant that job cuts were coming. But Dell traditionally kept a 10% to 30% buffer of temps and contractors, who normally get

the boot during slow times. The company usually lays off an additional 10% of full-time staff after annual evaluations in February. The regular staff had hoped that those traditional purges, which happened again this year, would be all that were needed.

Many of the fired workers object to the way they were let go. Just days before D-day, as Feb. 15 is now known at Dell, management was denying planned job cuts. On D-day, officers from the Texas Department of Public Safety showed up at the Dell campus to escort the doomed to their cars. Workers were encouraged to sign "the bribe," an agreement not to discuss their package or sue Dell, in exchange for up to four extra weeks of severance.

One of the biggest complaints among redundant Dell workers is that the company has not explained how it chose whom to fire. Dell rigorously evaluates its employees, ranking each on a descending 1-to-5 scale; fives get fired first. But performance didn't seem to matter this time. "The first guy in my department to go was the second highest rated on the team," says Davidson. "It was more like a shotgun blast, or a lottery."

Some of the workers let go accuse Dell of targeting older, more highly paid workers. "The people left are not the ones who built the company," says Peterson. "We did all the sweat, and now they're getting our stock options." Dell counters that older workers who say they were singled out are just expressing sour grapes or don't understand where they fit in the process.

Some say management's choices don't make business sense. Randy Schleicher, 52, who lost his job as a network analyst, says he heard from someone still employed at Dell that the plant making computer portables was on hold for an hour because there wasn't enough tech help after the job cuts. At $11,000 a minute, he says, that would be an expensive delay.

More broadly, economists are now questioning whether large scale head-count reductions are cost-effective. Kim Cameron, professor of management at the University of Michigan Business School, says studies from 1986 to 1992 show that companies that laid off workers went on to trail their industries in productivity, profitablity and shareholder value. "A lot of downsizing is simply done as a message to external constituencies, especially Wall Street," he says. Dell's stock, for instance, rose 9% the day the cuts were announced. It had fallen 62% since March 2000, putting heat on Dell for this kind of move.

In theory, the fired Dell workers should land on their feet. Most have highly marketable skills, and unemployment in the area is near 2%. Every day they troop to a "career center" in northwest Austin. They check out websites like computerjobs.com and a bulletin board that boasts 30 "success stories"--only limited consolation given that companies where they might naturally land--Intel, Motorola and Verizon--have also been trimming workers. Doug Hutter, 41, with two

kids at home, lost his job as an IT specialist Feb. 15. "I'm starting to get scared," he says. "I'm wondering where the next house payment is coming from."

But if Dell's projections hold, it could be rehiring people like Hutter soon, and some other recent casualties are already saying they intend to be at the front of the line. "Of all the places I've worked, I've never felt more appreciated," says Davidson. "I'd go back in a heartbeat."

Michael Dell has been feeling beaten up over the job cuts, particularly in Austin, where, as an employer of some 20,000 local workers, his company is intensely scrutinized. "Whenever we do something good, it's a little bit of news," he says with a sigh. "Whenever we do something bad, it's all over the place." But Dell is still widely regarded as a good employer, a solid corporate citizen and a millionaire maker. It's unlikely a single round of job cuts will change that.

>>>21 Attack of the Superstore By JIM ERICKSON Monday, Apr. 22, 2002

After Tesco entered the Thai market in 1998 with its brand of colorful, well-stocked superstores, angry local competitors tried to impede the powerhouse U.K.-based retailer's progress with a wall of lawsuits including one that would have forced Tesco Lotus, the company's regional subsidiary, to shut off air conditioning because chilly stores posed a public health hazard to the equatorial Thai people. Frivolous legal actions were a minor nuisance compared with what came next. Over a five-month period last year, two Tesco Lotus outlets were bombed, another peppered with automatic weapons fire and yet another hit by a rocket-propelled grenade.

You would think a reception that warm would force a company to consider relocating to more hospitable lands. But Tesco Lotus, Thailand's No. 1 retailer with 26 stores, plans to open more a lot of them. So do other "hypermarkets," giant retailers from Europe and America that are taking over some of Asia's prime selling grounds. Despite threats by governments to ban them, not to mention rocket attacks, chains, including France's Carrefour and U.S.-based Wal-Mart, are ramping up plans to open hundreds of new outlets throughout the region over the next several years. The onslaught threatens to run local retailers right out of business. Says Boonyoong Vimuttayon, a Bangkok grocery store owner who has seen her sales decline by more than half since a Tesco Lotus store opened up the street four years ago: "The foreigners get richer and richer, while we get poorer all the time."

Hypermarkets have already changed the retail landscape in their homelands by being brutally efficient, selling a mind-boggling range of products from groceries to pharmaceuticals to clothes to big-screen TVs at cut-rate prices. U.S.-based Costco operates spartan warehouses where bulk goods are stacked on pallets and sold to the public wholesale. The mammoth Wal-Mart chain annual revenues of $218 billion made it the largest company on this year's FORTUNE 500 list emphasizes

customer service to bring in the crowds while keeping prices in check with high-tech inventory management and by using its clout to cow suppliers. Charles Holley, senior vice president for Wal-Mart International, calls his company's formula for wringing profits out of low-margin merchandise "the productivity loop."

Asian retailers call it dirty pool. Cluttered neighborhood grocery stores, dingy street-front shops and noisy central-market stalls that have long served the region's consumers are no match for the modern, monolithic superstores. Boonyoong, the Bangkok grocer, can't beat superstore prices and selection and never will. Mom-and-pop operations have no economies of scale. "I was thinking my business might be in trouble when Tesco Lotus first opened," says Boonyoong. "Today I know it is."

Up the street, 42-year-old Bangkok accountant Suntorn Sukanand explains why, as he loads jumbo packs of instant noodles, fish sauce and Thai beer into his cart at Tesco Lotus. "I stop at the local shops only when I have forgotten to buy something in the superstore," he says. "It's clean, and it's cold." Says Bangkok housewife Sunee Veerachai: "I can get everything I need here in one trip on Saturday. Besides, the kids like this place."

Local retailers are not the only ones displaced when the superstore comes to town. Because of their high turnover, hypermarkets can throw their weight around with local suppliers by demanding lower prices. Costco buys directly from manufacturers to stock its two stores in Japan a practice that disrupts the country's entrenched but inefficient distribution networks, which have multiple layers of middlemen. Security expert John Muller, president of McFadden Protection Agency Thailand, theorizes that Tesco's Thai stores may have been attacked by Mafia-like cartels he says control the flow of goods in the country. (Thai police have made no arrests and the cases are unsolved.) Foreign superstores "upset the whole chain of distribution of commodities in Thailand," Muller says. Tesco Lotus officials declined to comment.

That's not to say the foreigners are unstoppable. Both Wal-Mart and Carrefour, the world's second largest retailer, tried and failed to crack the Hong Kong market in the 1990s. Hong Kong consumers seemed to prefer familiar neighborhood chain stores. Carrefour lost $400 million between 1996 and 2000 on four Hong Kong outlets. "It all ended in tears, really," says Alan Treadgold, director of retail research for ad agency Leo Burnett Worldwide in Sydney. "They just couldn't make the format work."

Undeterred, foreign hypermarkets have learned to adapt, often by forming joint ventures with domestic partners and by stocking local wares. "A lot of people make the mistake of thinking that when Wal-Mart comes to town, we set up exactly the same system as we do everywhere," says Holley of Wal-Mart. "But we take our best practices and customize it to each market." On Wal-Mart's shelves in China, for example, consumers can find indigenous delicacies such as whole roasted pigs and

live frogs hardly staples at corporate headquarters in Bentonville, Arkansas.

Mike Sinegal, head of Costco's Japan operations, agrees that stores must trim their sails according to prevailing winds, but dismisses the notion that Asian consumers are very different from shoppers in, say, Los Angeles. When Costco entered Japan, he says, local suppliers insisted American shampoos wouldn't sell because Japanese hair is different. But Costco's private-label brand quickly became one of its top-selling products. "The bottom line is that the uniqueness of these markets is overrated," says Sinegal.

Costco is not yet turning a profit on its Japanese operation, but still plans to build up to 70 stores there. Wal-Mart is edging into this market too, having recently taken a stake in ailing, 400-store food-and-clothing chain Seiyu. In fact, hypermarkets have aggressive expansion plans throughout Asia. Superstores face slowing growth in saturated home markets. They need to expand their territory to maintain growth rates. Wal-Mart intends to boost its international sales now less than 20% of its total revenue to a third of total revenue within five years. That means building new stores not just in established economies like Japan but also in countries with fast-emerging consumer cultures like China, where there are already 42 Wal-Mart and Carrefour outlets and dozens more on the way. In South Korea alone, analysts predict the number of hypermarkets to swell to 230 within three years, up from nine in 1996.

The onslaught is causing backlash in protectionist-minded countries. In Malaysia, which hosts Carrefour among other hypermarkets and soon Tesco stores, the government last month announced a freeze on all applications to build new outlets. Thailand, too, is considering limiting where superstores can be located.

While China has dropped or eased restrictions on foreign businesses to appease the World Trade Organization, tussles over details like licensing have blocked Carrefour's bid to win approval for stores in Beijing. In February, Guangdong province in southern China introduced tax cuts and other incentives to aid domestic retailers. Seven Chinese chains including one called Wu-Mart have drafted a plan to jointly open 1,500 hypermarkets and other stores over the next five years to compete with the expansionary interlopers. "Compared with the foreigners, Wu-Mart is more aware of the Chinese people and their consumption customs," says Wu Jianzhong, Wu-Mart's vice president.

Shoppers, however, don't seem to care. "Because of economic globalization, it doesn't matter if you are a foreign store or a domestic store," says Wu Ping, a Beijing businessman who shops at a Carrefour on the city's outskirts. "What's important is that you provide what local customers really need at a price that most people can afford." If the invaders can continue to do that, it will take more than rocket attacks to stop them.

SCIENCE & TECHNOLOGY

>>>22 Lost in Cyberspace By Chris Taylor Monday, May. 27, 2002

When her husband came home with yet another shrink-wrapped computer game 18 months ago, Denise Dituri never suspected it would transform her into Lorelahna, the Druid of Dark Fury. This Sacramento, Calif., radio-station manager and mother of three had never been much of a fantasy buff. Dungeons and Dragons did not appeal. Lord of the Rings was just O.K. But somehow this game, EverQuest, was different. Soon Denise was playing 18 hours a week--and, paradoxically, spending more time with her family than ever. "The longest conversation in our house at dinner," she says, "is about what we've done in Norrath that day."

Norrath, for the uninitiated, is EverQuest's answer to Middle Earth. Players all over the world--each hunched over his or her computer screen--gather on the same 3-D map, connected via the Internet. At last count, the land of EverQuest had 433,445 inhabitants, with 12,000 new immigrants arriving every month. Its subscription fees have made the game a gold mine for its owner, Sony, and helped put a relatively obscure genre--the massively multiplayer game--on the map. This week at the Electronic Entertainment Expo in Los Angeles, a select few VIPs will get an early glimpse of EverQuest II, a sequel likely to trigger another Norrath population boom. The game has become a global addiction so quickly that insiders jokingly refer to it as "Evercrack."

That joke is not so funny anymore. Last November a clinically depressed 21-year-old named Shawn Woolley shot himself in his apartment in Hudson, Minn. Woolley played EverQuest for two years before his death, and his mother, who discovered her son's body when she came to get him for Thanksgiving, plans to sue Sony. Her attorney says the game was designed to be "as addictive as possible" and should have carried a warning label. Sony declines comment on the case.

For those who haven't played, it's hard to understand why so many would invest so much in a mere fantasy game. The starter software kit costs $40, as does each of three add-ons that let you explore different continents on Norrath (a fourth arrives in October). There's also a monthly fee of $12.95 for the online service. Yet hundreds of thousands regularly pay up--and not just teenage boys. The average age of EverQuest players is 31, and they include as many lawyers and homemakers as students and Silicon Valley geeks.

Ask them what they do in Norrath, and they will talk about slaying MOBs (for mobile objects, a slang term for Norrath's monsters), collecting plats (platinum pieces, the highest form of Norrath currency) and joining with other players to form guilds. It is that last part that's key. For EverQuest addiction is, at heart, a pleasantly social disease. "It's what players bring to the game that makes it what it is," says Will Wright, creator of the best-selling PC game The Sims, who plays EverQuest with his 15-year-old daughter and is hard at work on his own extensive

multiplayer game.

In a fragmenting society that spends ever more time at home, EverQuest offers families a way of staying together by slaying together. Just ask the Dituris. Denise (a.k.a. Lorelahna) and her husband Gary (the warrior Tytanyum) once joined a guild with their best friends Bill and Cindy (Jarryth and Lilyenya). They still talk about the time the four of them stayed up in shifts all night (EverQuest runs in real time), waiting to attack a particularly brutal MOB, finally slaying him at 6 a.m.

Later, through an EverQuesting single mom in Palm Springs, Calif., the Dituris networked into the 50-member Dark Fury Guild. Online quests soon became the basis for real-life soirees. "Believe it or not, EverQuest has become the center of our social life," says Gary. "People say it's expensive, but it's like a club--and you'd pay at least $12.95 a month in club dues."

At times EverQuest might seem like nothing more than a vast Internet chat room with nice graphics. But there's something about this particular chat room that opens lines of communication--even among parents and kids. Gary Dituri says he has learned more in the past 18 months about his son Derrick, who plays a rogue to Gary's warrior, than he did in Derrick's first 15 years. Gary and Denise choose less advanced characters for themselves when they interact with their daughters Dayna, 13, and Demitria, 10. An unorthodox method of child rearing, to be sure, but hardly worse than parking the kids in front of the TV. "It's not just watching cartoons," says EverQuest producer Rod Humble. "It's an exercise of the mind."

That exercise will get somewhat more strenuous with EverQuest II, due for release in the fall of 2003. The sequel is set in a new age--the Age of Destiny--in which players' quests directly affect the structure of the game, changing the plot line on a month-by-month basis. Tolkien labored for years to work out the narrative of his Middle Earth; the legend of Norrath will expand of its own accord. And next March, taking a leaf out of the playbook of Star Wars creator George Lucas, the company will release a prequel--not on PC but on the more kid-friendly PlayStation 2. Watch out: Norrath may be coming soon to a dinner-table conversation near you.

>>>23 The Power of One By Jane Goodall Monday, Aug. 26, 2002

The greatest danger to our future is apathy. We cannot expect those living in poverty and ignorance to worry about saving the world. For those of us able to read this magazine, it is different. We can do something to preserve our planet.

You may be overcome, however, by feelings of helplessness. You are just one person in a world of 6 billion. How can your actions make a difference? Best, you say, to leave it to decision makers. And so you do nothing.

Can we overcome apathy? Yes, but only if we have hope. One reason for hope lies in the extraordinary nature of human intellectual accomplishment. A hundred years

ago, the idea of a 747, of a man on the moon, of the Internet remained in the realm of science fiction. Yet we have seen those things and much, much more. So, now that we have finally faced up to the terrible damage we have inflicted on our environment, our ingenuity is working overtime to find technological solutions. But technology alone is not enough. We must engage with our hearts also. And it's happening around the world.

Even companies once known only for profits and pollution are having a change of heart. Conoco, the energy company, worked with the Jane Goodall Institute (J.G.I.) in Congo to build a sanctuary for orphaned chimpanzees. I formed this partnership when I realized that Conoco, during its exploration, used state-of-the-art practices designed to have the least possible impact on the environment. Many other companies are working on clean forms of energy, organic farming methods, less wasteful irrigation and so on.

Another reason for hope is the resilience of nature--if it is given a helping hand. Fifteen years ago, the forests outside Gombe National Park in Tanzania had been virtually eliminated. More people lived there than the land could support. J.G.I. initiated the Lake Tanganyika Catchment Reforestation and Education Project (TACARE), a program active in 33 villages around the park. Today people improve their lives through environmentally sustainable projects, such as tree nurseries and wood lots. We provide health care, family-planning and education programs, especially for women. As their education increases, their family size tends to drop.

While pollution still plagues much of the world, progress is being made. This May in Sudbury, Ont., I saw new forests that were recolonizing hills destroyed by 100 years of nickel mining. The community raised the money and worked for months spreading lime and planting vegetation on the blackened rock. I released the first brook trout into a once poisoned creek there.

Animal species on the brink of extinction can be given a second chance through protection and captive breeding--even if preserving a habitat conflicts with economic interests. A company in Taiwan planned to build a rapid-transit line right through the only major remaining breeding ground of the rare pheasant-tailed jacana. There was an outcry, but it was the only economically viable route. Environmentalists worked with the company to come up with a solution--moving the breeding ground. Water was diverted back into nearby wetlands that had been drained by farmers, and suitable vegetation was replanted. In 2000 five birds hatched in their new home, and when I visited there the next year, even more birds had moved to the site.

I derive the most hope from the energy and hard work of young people. Roots & Shoots, J.G.I.'s program for youth from preschool through university, is now active in 70 countries. The name is symbolic: roots and shoots together can break up brick walls, just as citizens of Earth together can overcome our problems. The more than 4,000 groups of young people are cleaning creeks, restoring prairies and

wetlands, planting trees, clearing trash, recycling--and making their voices heard.

We have huge power, we of the affluent societies, we who are causing the most environmental damage. For we are the consumers. We do not have to buy products from companies with bad environmental policies. To help us, the Internet is linking small grassroots movements so that people who once felt they were on their own can contact others with the same concerns.

I feel deep shame when I look into the eyes of my grandchildren and think how much damage has been done to Planet Earth since I was their age. Each of us must work as hard as we can now to heal the hurts and save what is left.

>>>24 Look Who's on the Telephone! By Anita Hamilton Monday, Sep. 16, 2002

Ever wonder whether the pals you call up every now and then just to chat are really paying attention to your tired little tales? They may say "ya" and "uh-huh" at all the right intervals, but do you ever get the sneaking suspicion that they're more interested in the dishes they're doing while you're yapping away or the football game they've tactfully muted as you drone on and on?

If only you could see the look on their face, then you'd be able to tell the real friends from the merely polite listeners. A video telephone is the obvious solution, but while many companies, including such consumer-electronics giants as AT&T and Panasonic, have tried to create a videophone that people would actually buy, they've all failed miserably. The products were too expensive or too complicated, or they just didn't work well enough.

So why should the Beamer, from newcomer Vialta in Fremont, Calif., fare any better? For starters, it has a stylish design that looks more like a picture frame than another high-tech gizmo. What's more, it plugs directly into a regular phone line and requires no computer hookup. And at $500 for a pair (both parties need one so they can see each other), it comes at a pretty fair price.

Of course, you could buy a pair of webcams for less than $100 that will let you do the same thing over your Mac or PC, but who wants to sit in front of a computer any longer than you have to? Besides, webcams require a microphone, speaker, modem and special software. The only extra the Beamer needs is the phone you already own.

Designed in-house at Vialta, the Beamer neatly houses a 3 1/2-in. color screen in a silvery frame with a clear plastic faceplate. A small camera is perched just above the screen, and the entire unit is 8 in. tall, 6 in. wide and 4 in. deep--small enough to fit on a shelf or ledge. The few controls, including one for brightness and image quality, are tucked away on one side.

More important, the Beamer is probably the easiest high-tech gizmo you'll ever set

up. After recruiting my friend Swati as a guinea pig and promising her that setting the Beamer up in her apartment would take no more than an hour, I was amazed when we finished in less than 10 minutes. All we had to do was take it out of the box, plug one cable to the phone jack, a second to the phone and a third to the power outlet.

After whizzing through the same setup back at my pad, I placed the first call using my home phone. Once Swati picked up, I pushed a button on my Beamer to start the video feed. In about 15 seconds (during which we couldn't speak to each other), up popped Swati's pretty face. Well, she actually looks much better in person, but because the lighting was bad in her apartment, Swati's face was covered in shadows. Mine came through clear and bright on her end.

The video, about 176 by 144 dots per inch, was a little fuzzy, but it was still fun seeing my pal as we talked about what we did over the weekend. One cool feature is a button labeled DETAIL/MOTION that let us opt for a clearer picture that got refreshed less frequently or a more fluid one that got a lot more blurry. We both opted for detail but noticed a time lag between our movements and their appearance onscreen. We liked the picture-in-picture feature that let each of us see what we looked like in a small image in the corner of our own screen.

The most annoying part of our experiment in video telephony was when the sound suddenly cut out. Because voice and video get crammed down the same thin phone line by the Beamer's built-in modem and compression software, our words at times came through garbled or not at all--like a bad cell-phone connection. But generally the sound worked fine and the video was good enough. When I showed Swati a couple of new outfits I had purchased, she could see that my shirt was maroon and my shorts were black.

Watching someone while you're talking takes some getting used to, however. I was tempted to start watering my plants, but I didn't dare stray from the camera. And if Swati was bored by my chatter, she did a great job of feigning interest. That's what I call a real friend.

>>>25 Fathers of Contention By URSULA SAUTTER Monday, Apr. 15, 2002

One day in 1997, Michael Lammers received a surprise phone call. A woman with whom the ambulance attendant had once had an affair told him he was the father of her 12-year-old daughter. Like others in his situation, a stunned Lammers couldn't help but wonder whether the child was truly his. So he commissioned a private DNA test and, a few days later, knew for a fact that he was a dad.

While the decline of the two-parent family in Germany may worry traditionalists, it has proved a boon for a growing number of biotech companies specializing in paternity tests. "Since 1998 the number of orders has increased tenfold," boasts Kirsten Thelen, co-founder of Wiesbaden's ID Lab, which prepared 4,000 DNA

fingerprints last year. Says Thelen: "The demand has existed for a long time, but now word has got around that there is an affordable way to obtain proof of parenthood."

A commercial DNA test is priced between ?370 and ?1,200, which sounds expensive until you consider the ?2,000 it costs to obtain an official certificate of parentage. While the official certificate identifies paternity through a series of blood analyses, the commercial test, based on state-of-the-art genetic-research technology, establishes parentage by comparing the genetic profile of parent and child through the so-called polymerase chain reaction (PCR). It takes would-or-would-not-be fathers only a phone call, an e-mail or a quick visit to the local pharmacy to get the kit containing test tubes and sterile cotton-wool sticks for swabbing the inside of a child's cheek. The subsequent analysis, done by the various DNA labs, takes three to 10 days.

Not surprisingly, the DNA labs receive the bulk of their work from men trying to prove or disprove paternity. Yet an increasing number of moms, most of them single, also make use of the tests. In about 10% of the cases, the biotech firms are consulted "by grown-up children who want to make sure who their parents really are," says Thelen. "In those instances the client's biography usually shows some unclear points."

Thelen thinks that some of the men who decide to carry out private paternity checks "are simply driven by the age-old male fear" that they may have been cuckolded by their partner — a fear that could have been fanned by a friend's remark that the chip doesn't look as if it's off the old block. Indeed, British biologist Robin Baker analyzed the results of 16 paternity studies in 1996 and concluded that at least one in 10 children in the Western world was not sired by the man believed to be the father. The number of negative results reported by Germany's DNA labs — an average of 20% to 25% — supports Baker's thesis. Of course, many doubtful dads have the test done not out of curiosity but because of divorce and impending child-support payments. "Most of the time," says Henriette Tewes, managing director of the DNA lab Papacheck in Lauenburg, Schleswig-Holstein, "it's about money."

While more and more entrepreneurs are getting into the genetic paternity-testing business, their traditional competitors are raising doubts about the scientific quality of the work. "A DNA fingerprint that is based on a PCR examination alone is insufficient," argues Helmut Adamek, president of the official Association of Experts for Certificates of Parentage. Like legal opinions, he argues, the tests carried out by commercial labs should comprise a second procedure "to exclude analytic errors." Still, DNA fingerprints have an accuracy rate of 99.99%.

Privacy advocates are leery of the tests, since they are frequently performed without the knowledge of the second parent or the child. In fact, the DNA labs often get used toothbrushes or pacifiers from their customers instead of the normally

requested mouth swabs. The majority of labs will also use these personal effects to extract DNA samples. Because he considers surreptitious genetic fingerprinting "a massive invasion of personal privacy," Joachim Jacob, Germany's Commissioner for Data Protection, is moving to ban DNA paternity tests. It's unfair that "the unauthorized opening of a letter is a criminal offense, while clandestine paternity tests are not," he says. "Just imagine a mother-in-law has a suspicion and endangers the whole family structure."

Gene labs deny the validity of such criticism. "Every man has the right to know whether he is the biological father of a child or not," says Victoria Koppenwallner, who owns a one-woman paternity-test company in Berlin, "without the expense of an official test." Men like Michael Lammers, who now has to pay a monthly maintenance allowance to a daughter who doesn't even want to see him, would agree.

>>>26 A Sister Solar System? By Jeffrey Kluger Monday, Jun. 24, 2002

Time was, being an earthling was something special. In a universe full of apparently planetless stars, our colorful solar system seemed like one of a cosmic kind. The planet club became a little less elite last week, however, when astronomers announced the discovery of a Jupiter-like world orbiting a not-too-distant star, a star that could well have an Earth-like planet in its brood too.

The star that's causing all the buzz is 55 Cancri, about the size and age of our sun, located just 41 light-years away. This is not the first time a planet has been seen orbiting the star. In 1996 Geoffrey Marcy, a professor of astronomy at the University of California, Berkeley, and astrophysicist Paul Butler of the Carnegie Institution of Washington spotted a different Jupiter-size world circling 55 Cancri in a close-up orbit just 10 million miles from the solar fires--closer than little Mercury orbits our own sun. All told, astronomers have found about 90 big planets circling many other stars, either clinging close to their parent's skirt or whipping in and out in irregular, slingshot-like orbits--including what seems to be another planet closely orbiting 55 Cancri.

The world revealed by Marcy, Butler and their team last week, however--yet another around 55 Cancri--is an entirely different beast. About 3.5 to 5 times the mass of Jupiter--close enough by planetary standards to be a sister--it orbits at a distance of 510 million miles, remarkably like Jupiter's 480 million. The new world takes 13 years to complete a single orbit; Jupiter takes almost 12--again, all but identical.

The close similarity to Jupiter has a special significance to astronomers. One of the things that made life on Earth possible in the first place was the looming presence of our sun's fifth planet, whose massive gravity vacuumed up a lot of incoming comets and asteroids, keeping the small inner worlds relatively safe in the shooting

gallery that was the early solar system. The clear lane Jupiter created became a sort of orbital sweet spot, where temperatures could remain moderate and volatile substances such as water could persist, giving life a chance to arise. While plenty of stars beyond 55 Cancri and our sun may have their own Jupiter-size planets, their orbits often carry them through this habitable zone, preventing small Earth-size worlds from gaining a toehold. "An Earth-like planet can't get established when a Jupiter-size wrecking ball is sailing through," explains Butler.

Whether there's a lush little Earth spinning around 55 Cancri is still anybody's guess. Spotting even a giant planet in the glare of its sun is so hard--astronomers compare it to looking for a firefly next to a searchlight--that no one really sees any of these extra-solar worlds. Instead, investigators look for tiny perturbations in the position of the mother star that may suggest that the gravity of a planet of a particular size and distance is tugging at it.

NASA hopes, however, to launch within the next 20 years two new spacecraft that will circle our sun in unusual Earth-trailing orbits, studying the gravitational wobble of stars and trying to filter out some of their light. This, astronomers hope, will allow the hidden planets to pop into view. When the ships go online, 55 Cancri will be one of the first stars to receive a close look--a prospect that last week became more tantalizing than ever.

>>>27 Missing Memories By Christine Gorman; David Bjerklie Monday, Mar. 26, 2001

Doctors are all too familiar with the final stages of Alzheimer's disease, when neurodegenerative plaques and tangles spread throughout the brains of their patients, robbing them of memory, dignity and finally their lives. But what if there were a way to halt this terrifying decline? What if scientists developed a treatment that could somehow stop Alzheimer's disease in its tracks and prevent any further deterioration? Chances are you'd want to treat folks as soon as possible, in the earliest stages of the disease, long before devastating brain damage had occurred.

Researchers at Washington University School of Medicine in St. Louis, Mo., last week disclosed what may be an important step toward that goal. No, they didn't announce a new therapy that can stem the ravages of Alzheimer's disease. Instead, in a study that was published in the March issue of the Archives of Neurology, they provided compelling evidence that a condition called mild cognitive impairment, or MCI, which is characterized by repeated lapses in short-term memory, is in fact in many patients the earliest stage of Alzheimer's disease.

Should the Washington University findings hold up, they could eventually provide drug companies with another target for treating or even preventing Alzheimer's. Perhaps more immediately, however, the results could trigger all sorts of financial and legal headaches if, for example, insurance companies start labeling mild cognitive impairment as a pre-existing condition that disqualifies patients from

long-term health-care coverage. This is apart from the emotional trauma of patients realizing that they probably have an incurable disorder.

In any event, the research underscores the fact that as scientists increase their knowledge about the earliest manifestations of Alzheimer's disease, more questions are being raised than can be answered. For instance, what exactly do researchers mean when they talk about mild cognitive impairment? "There are lots of conditions that can be subsumed under the term," says Dr. John Morris, lead author of the study. MCI could stem from the side effects of taking too many medications, a blow to the head or the lassitudes of depression. But what Morris and others are focusing on is repeated problems with short-term memory that are often first noticed by a close friend or relative.

This clinical view of MCI deals with distinct changes in forgetfulness over a period of a year or two--changes that can be verified with psychological testing. "People start at different points," says Neil Buckholtz, chief of the dementias branch at the National Institute on Aging. "Everybody forgets where they put their keys. But if you forget what keys are for, that could be a concern."

There is also preliminary evidence suggesting that a diagnosis of MCI can be confirmed with a magnetic-resonance scan of the brain. Typically, in cases of what turns out to be pre-Alzheimer's MCI, these images will reveal that the hippocampus, a central portion of the brain associated with short-term memory, is somewhat smaller than normal or even rather shrunken in appearance.

Of course, when Morris and his colleagues at Washington University set out on their study 10 years ago, they didn't have even this much information to guide them. Instead, they pulled together a group of 404 men and women between the ages of 45 and 103 and gave them a battery of psychological and memory tests. Nearly 230 study subjects had various levels of what we would now recognize as MCI. The rest had normal scores for their age and served as the control group.

Over the course of the study, 42 people died and donated their brains for autopsy--the only foolproof method of diagnosing Alzheimer's disease. To the researchers' surprise, 21 of the 25 people who had originally shown signs of MCI proved to have Alzheimer's disease at autopsy--many more patients than they had anticipated.

Still, the Washington University study does not prove that all MCI is an early stage of Alzheimer's disease. Participants were not chosen at random but had volunteered to be part of the trial. Because a family member or someone close to them had already noticed a change in their mental acuity, the results of the trial may have been skewed. In addition, it's not easy to know where normal forgetfulness ends and clinically significant impairment begins. The Food and Drug Administration invited a panel of experts to Washington last week to try to tackle the problem. The National Institutes of Health has scheduled another meeting in

the fall to see if they can come up with a more rigorous definition of mild cognitive impairment.

In the meantime, at least five therapies are now being studied around the world for their potential in treating MCI. Among the candidate treatments are vitamin E, anti-inflammatory medications called cox-2 inhibitors and the Alzheimer's drug Aricept. The first results aren't expected for three to four years.

Until then, doctors are likely to proceed fairly cautiously. They want to make sure they're helping their MCI patients without unnecessarily stigmatizing them with the Alzheimer's label. Still, there's hope, says Dr. Ronald Petersen, director of the Alzheimer's Researcher Center at the Mayo Clinic in Rochester, Minn. "These people are really quite functional." For if MCI is indeed the earliest stage of Alzheimer's disease, and if it's possible to slow its progression, patients might be able to delay the onset of full-blown Alzheimer's and preserve a fairly decent quality of life.